

Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761115493306>







AI  
N 55  
77R5213

8

Government  
Publications



# Report by **THE TARIFF BOARD**

Pursuant to the Inquiry Ordered  
by the Minister of Finance  
respecting

**FRESH AND PROCESSED FRUITS  
AND VEGETABLES**

**Volume I Part III**

**COMMODITY REPORTS:  
FRESH FRUITS**

***Reference No. 152***







CAI  
FN 55  
-77R521

1/ 2/ Tariff Board

3/ **Report by**  
**THE TARIFF BOARD** *in Reference.*

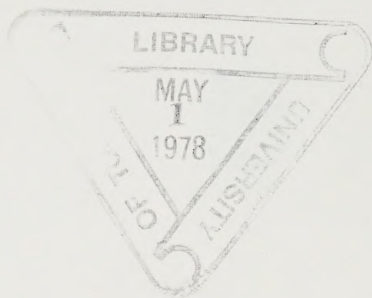
Pursuant to the Inquiry Ordered  
by the Minister of Finance  
respecting

**FRESH AND PROCESSED FRUITS  
AND VEGETABLES**

**Volume 1 Part III**

**COMMODITY REPORTS:  
FRESH FRUITS**

***Reference No. 152***



Minister of Supply and Services Canada 1977

Available by mail from

Printing and Publishing  
Supply and Services Canada  
Ottawa, Canada K1A 0S9

or through your bookseller.

Catalogue No. FT4-152/1-3

Price: Canada: \$8.00

ISBN 0-660-01120-4

Other countries: \$9.60

Price subject to change without notice.



THE TARIFF BOARD

Pamela A. McDougall  
W.J. Landreth  
J. Lupien  
G. Deachman  
A.C. Kilbank  
K.C. Martin

Chairman  
First Vice-Chairman  
Second Vice-Chairman  
Member  
Member  
Member

W.L. Posthumus  
Director of Research

---

PANEL FOR THIS INQUIRY\*

Pamela A. McDougall  
W.J. Landreth  
G. Deachman  
A.C. Kilbank  
K.C. Martin

\*Messrs. L.E. Couillard, former Chairman of the Board and W.T. Dauphinee, Second Vice-Chairman, originally members of the panel for this inquiry retired in December 1975 and August 1975 respectively.

RESEARCH TEAM

Board Economists

P.J. Bowden, Dr.  
G.H. Forrester  
D. Gilfix  
G.N. Grant  
M.S. Islam  
H.D. McCree  
J.W. Millman  
A.Y. Renaud

Other Participants and Contributors

S.C. Hudson, Dr.  
W.D. Porter  
G.A. Fisher  
G.R. Grant  
I.B.L. Nonnecke  
H. Tiessen  
D.J. Sutherland  
M.H. Goodman  
J.D. Forbes  
S. Benjamin  
C.V. Parker  
W.Y. Yang  
J. McGillivray -  
Development Planning  
Associates Ltd.



The Honourable Donald Macdonald, M.P., P.C.  
Minister of Finance  
Ottawa

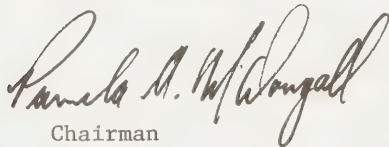
Dear Mr. Macdonald:

I refer to the Honourable John Turner's letter of July 6, 1973, addressed to Mr. L.E. Couillard, former Chairman of the Tariff Board, directing the Tariff Board to make a study and report on specified tariff items in so far as they relate to fresh and processed fruits and vegetables.

I now have the honour to transmit Volume 1, Part III of the Report of the Board, in English and in French. This part contains the individual reports for fresh fruits which were the basis for the Board's recommendations for these commodities, submitted in Volume 1, Part I. Volume 2 will be devoted to processed fruits and vegetables. It will be forwarded to you as soon as it is completed.

A copy of the transcript of the proceedings at the public sittings was forwarded to you with Volume 1, Part I of the report.

Yours sincerely

  
Chairman

Ottawa, August, 1977

Explanation of Symbols Used

- Denotes zero or none reported
- .. Indicates that figures are not available
- \* Indicates a reported figure which disappears on rounding, or is negligible

---

The sum of the figures in a table may differ from the total, owing to rounding.

The record of the proceedings of the public sittings held by the Board on this Reference is referred to as the Transcript.



Prefatory Note on the Organization of the Report - Reference 152

Volume 1, Part I of this report contained the Board's summary and recommendations with respect to fresh fruits and vegetables. Part II of Volume 1 presented the individual commodity reports for fresh vegetables.

The final part of Volume 1, Part III, contains the individual commodity reports for fresh fruits; they are presented in alphabetical order except for "Other Fruits," which appears last. Each report contains the Board's conclusions and recommendations, the relevant tariff considerations, and the evidence concerning domestic production and consumption, foreign trade and the competitive position of Canadian growers.

Volume 2, in as many parts as may prove to be necessary, will contain the Board's report on processed fruits and vegetables.

TABLE OF CONTENTS

	<u>Page</u>
Apples and Crabapples .....	1
Apricots .....	43
Cherries .....	69
Cranberries .....	121
Grapes .....	139
Muskmelons and Cantaloupes .....	185
Nectarines and Quinces .....	209
Peaches .....	227
Pears .....	269
Plums and Prune Plums .....	315
Raspberries and Loganberries .....	367
Strawberries .....	389
Other Fruits .....	429

APPLES AND CRABAPPLESTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	3
Acreage, Production and Farm Value .....	5
Supply and Disposition .....	10
Imports .....	14
Exports .....	14
Prices .....	15
Canada-United States Comparisons .....	17
Tariff Considerations .....	18
Conclusions .....	19
Recommendations .....	20
Appendix Tables .....	21





### APPLES AND CRABAPPLES

The apple is of the genus *Malus sylvestris* and is a member of the rose family Rosaceae. It is the most widely cultivated tree fruit in temperate climates.

Where it originated is not known definitely, but the species from which cultivated varieties are mainly derived is believed to have come from south-eastern Europe and south-western Asia. Apples were carried by Romans throughout much of Europe, including Britain, and American settlers, particularly those from European temperate regions, brought apple seeds and trees with them.

Methods of budding and grafting apples were known more than 2,000 years ago, and by the time settlers from Europe came to North America hundreds of varieties had been identified. Today the number of varieties total several thousand. Of the varieties grown in Canada, McIntosh is the most popular. Others include Cortland, Red Delicious, Golden Delicious, Northern Spy, Newtown, Spartan and Winesap.

Apples are the most important fruit crop in Canada. In 1971-74, their annual average farm value was \$45.9 million. Annual average per capita disappearance has decreased slightly to 39.3 pounds in 1971-74 from 43.6 pounds in 1961-65. Apples can be eaten fresh, baked, stewed or candied, and are used in sauces, pies, puddings, juices, jams, jellies and many other products.

The crabapple is also of the genus *Malus* and its many species include: M. baccata, the Siberian crab; M. angustifolia, the native crabapple of the southern United States; M. coronaria found from Canada to Texas; and M. rivularis, the Oregon crabapple. In Canada, some species have been crossed with standard apple varieties to produce hardy, early-ripening hybrids capable of withstanding severe weather conditions. In general, crabapples resemble apples in flowers and foliage but their fruit is much smaller and usually acidulous in flavour.

Crabapples are a minor crop in Canada. In 1971-74, they had an annual average farm value of about \$50,000. They are used mainly in prepared foods such as jelly.

### GROWING, HARVESTING AND MARKETING

Apples and crabapples need a dormant period for proper development and fruit production, and hence thrive in regions from 30° to 60° latitude north and south. Topography is generally more important than soil in the selection of orchard sites. Trees will grow on well-drained soils of several types but, since spring frosts during or after bloom may destroy flowers or young fruit, a site high enough to permit cold air to settle below rather than in the orchard is desirable. Rolling hilltops or hillsides are ideal.

In Canada, the main growing regions are in British Columbia - particularly the Okanagan Valley - much of Ontario, southern Quebec, Nova Scotia and New Brunswick. Crabapples are grown commercially mainly in British Columbia.

It takes about six to eight years before there are appreciable yields from most new apple trees. Maximum bearing occurs in about the 12th year and may last for 15 years or more. In recent years, some varieties have been planted on rootstocks that control tree size. These are known as dwarfing stocks and they permit higher density plantings and earlier production. They are also said to produce better quality fruit than normal trees. Spraying and harvesting are easier and the tree receives more sunlight thus yielding better-coloured fruit. On the negative side, dwarfing stocks cannot withstand extreme cold.

During early growing years, apple trees must be carefully pruned so that main branches will be well distributed along and around the trunk and be strong enough to bear a heavy fruit load. During production years, trimming is necessary to permit light to reach all the fruit and to facilitate spraying which is necessary to give protection from insects and diseases.

Harvesting time depends on the variety and the use of the fruit. In Canada, picking begins in August and lasts until early November. Apples are harvested by hand into containers such as drop-bottom canvas picking bags or metal buckets. Ladders, and sometimes hydraulic lifts, are used to reach fruit on the top branches. After picking, the apples are delivered to a central location where they are washed, sized, sorted and packed into containers. In some operations, the fruit is individually wrapped.

A large percentage of the crop, about two-thirds in 1971-74, is sold for fresh consumption; the rest for processing. When sold to the fresh market, apples are often packed in consumer-sized units at the shipping point, but a considerable quantity is also packed at wholesale and retail outlets. Consumer packs may be baskets, transparent film bags, or filmboard or cardboard trays overwrapped with film. Bagging is done by machines that automatically fill the bags to the proper weight.

Many growers and packers, who are often large producers themselves, operating in partnership or, in some cases, as producer co-operatives, cold store all apples within a few hours of harvesting. Cold storage may use ordinary air or a controlled atmosphere, where not only temperature but also the chemical make-up of the atmosphere is controlled. A uniform temperature must be maintained for good results. For most varieties,  $1^{\circ}\text{C}$  to  $0^{\circ}\text{C}$  at 80 to 90 per cent relative humidity is recommended.

Apples for storage must be harvested at the proper stage of maturity and must be handled carefully at all times to avoid bruising. Under ideal conditions, they can be stored from one season to the next. In Canada, domestic supplies are available year round (see Appendix Table 4).



ACREAGE, PRODUCTION AND FARM VALUE

(1) According to the 1961 Census there were 4.8 million apple trees in Canada or an average of 278 trees for each of the 17,282 farms reporting apple production. The 1971 Census reported 6.7 million apple trees, an increase of 40 per cent, on 9,686 farms, for an average of 690 trees per farm. The average apple orchard increased substantially in size (Appendix Table 1). British Columbia experienced the greatest increase in the number of apple trees, followed by Ontario and Nova Scotia. The number of trees in Quebec and New Brunswick declined. The number of young trees increased sharply; in 1971, 2.5 million trees, or 37.3 per cent of the total, were under five years old, compared with 1.1 million or 21.9 per cent in 1961. Thus, during the intercensal period, Canadian orchards had become younger which would tend to suggest larger crops in ensuing years. However, much of the expansion in the number of young trees, as well as total trees, particularly in British Columbia, represented increased plantings of dwarf varieties, which yield less per tree.

Total output per tree<sup>(2)</sup> declined from 245.6 pounds in 1961-65 to 205.8 pounds in 1971-74, or by 16.2 per cent (Appendix Table 2). Only in Quebec did the yield per tree increase in 1971-74 compared to 1961-65. The largest absolute and relative change during the period under review occurred in British Columbia where yields fell by more than one-third from 310.2 pounds in 1961-65 to 180.8 pounds in 1971-74. Yields varied greatly by province, and in 1971-74 ranged from 173.2 pounds in Nova Scotia to 259.6 pounds in Quebec.

A significant factor in the yield per tree is its age and whether it is a dwarf tree or a standard apple tree; dwarf trees, when mature, produce less. The decline in average output per tree in the Maritimes and British Columbia probably reflects an increasing proportion of dwarf apple trees. However, there are a substantially greater number of the smaller trees per acre, which explains that, in 1971, British Columbia had 123 trees per acre as against 62, 58, and 52 for the Atlantic region, Ontario, and Quebec respectively. On a per acre basis, it is evident that growers in British Columbia and Quebec had a much higher average yield during 1971-74, with 11,522 and 10,460 pounds respectively, than Maritime and Ontario growers with 8,187 and 7,761 pounds.

- 
- (1) This number includes crabapple trees; the number is, however, believed to be small.
- (2) Yields were obtained by dividing the average volume of production for the periods 1961-65 and 1971-74 by the number of trees reported to be five years and over in 1961 and 1971, respectively. Since standard size apple trees do not produce appreciable volumes of fruit before they are eight years old, the above yields per tree are somewhat understated. The extent of this understatement diminishes as the proportion of dwarf trees increases.

Average annual production of apples and crabapples<sup>(1)</sup> decreased 6.2 per cent from 920.1 million pounds in 1961-65 to 863.1 million pounds in 1971-74 (see Table 1a). Output dropped in the Maritimes and in British Columbia - 28.3 per cent and 12.8 per cent respectively - while it rose slightly in Ontario and Quebec. In 1971-74, Ontario, British Columbia and Quebec each produced an annual average of about 250 million pounds of apples, or each about 29 per cent of the Canadian total. The remaining 13 per cent came from the Maritimes.

Average annual farm values rose by 58.3 per cent to \$45.9 million in 1971-74 from \$29.0 million in 1961-65. Since average annual production of apples and crabapples actually dropped during the period under review, the increase in farm value resulted entirely from higher farm-gate prices. The average annual farm value of apples rose to 5.3 cents per pound in 1971-74 from 3.2 cents in 1961-65. Regionally, annual farm values per pound in 1971-74 ranged from 6.1 cents in Ontario to 4.2 cents in the Maritimes.

Both the volume and the proportion of the Canadian apple crop going to the fresh market has dropped during the period under study. During 1961-65, Canadian apple growers produced 626 million pounds, or 68 per cent, for the fresh market, but only 554 million pounds or 64 per cent in 1971-74 (Tables 1a and 1b). The proportion sold for processing has risen correspondingly, though the volume has remained about the same at an annual average of 310 million pounds. All regions except the Maritimes sell a larger share of their total output for fresh consumption than for processing. In 1971-74, three-quarters of British Columbia apple crop was sold on the fresh market. In Quebec and Ontario, 65 and 59 per cent, on average, went to the fresh market, a proportion which has declined for both provinces. In the Maritimes, 49 per cent of the apple crop was marketed fresh; the proportion sold fresh has, however, increased.

Growers generally receive much more for apples sold on the fresh market than for processing apples; the average unit farm value has always been at least twice as high. This difference was particularly marked in British Columbia where fresh market values during 1971-74 averaged 7.1 cents per pound or six times the level of those sold for processing (see Tables 1b and 1c).

Lower farm-gate prices for apples sold for processing in part reflect lower production costs. Packaging and container costs are negligible for processing apples, and marketable output is greater due to lower culling losses. The difference in grower returns between the two uses in British Columbia is, however, much greater than could be explained by production cost only. In that province the marketing of apples is regulated by a single agency for both the fresh market and for processing. Under such a centralized marketing system processing is considered to be an extension of the fresh market, and the prime concern would appear to be to maximize fresh market sales and prices. The return to the grower for processing apples is thus determined by other considerations than their cost of production.

(1) Commercial production of crabapples is small. Available data for 1961-65 and 1971-74, which are limited to British Columbia only, indicate that production was about one-fifth of 1 per cent of Canadian and about one-half of 1 per cent of British Columbia's apple production.

Table 1a: Apples: Production<sup>(a)</sup>, Farm Value and Farm Value  
per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Maritimes	150,273	152,097	125,370	95,550	105,000	105,000	107,730	- 28.3
Quebec	232,524	216,684	262,794	251,412	197,148	276,066	246,855	+ 6.2
Ontario	251,694	279,226	283,944	276,170	202,932	274,456	259,376	+ 3.1
B.C. <sup>(b)</sup>	285,628	288,944	190,941	243,398	321,586	240,608	249,133	- 12.8
Canada	920,119	936,951	863,049	866,530	826,666	896,130	863,094	- 6.2
- Farm Value, \$'000 -								
Maritimes	3,289	3,713	2,675	3,815	6,476	5,027	4,498	+ 36.8
Quebec	6,793	6,729	6,257	9,522	17,602	12,030	11,353	+ 67.1
Ontario	7,927	10,380	8,953	12,340	21,492	20,802	15,897	+100.5
B.C. <sup>(b)</sup>	10,990	13,253	8,743	11,520	20,210	16,135	14,152	+ 28.8
Canada	28,999	34,075	26,628	37,197	65,780	53,994	45,900	+ 58.3
- Farm Value, ¢ per lb. -								
Maritimes	2.2	2.4	2.1	4.0	6.2	4.8	4.2	+ 90.9
Quebec	2.9	3.1	2.4	3.8	8.9	4.4	4.6	+ 58.6
Ontario	3.1	3.7	3.2	4.5	10.6	7.6	6.1	+ 96.8
B.C. <sup>(b)</sup>	3.8	4.6	4.6	4.7	6.3	6.7	5.7	+ 50.0
Canada	3.2	3.6	3.1	4.3	8.0	6.0	5.3	+ 65.6

(a) Marketed production.

(b) Includes crabapples.

Source: Statistics Canada and B.C. Department of Agriculture.

Table 1b: Apples: Fresh Market, Production, Farm Value  
and Farm Value per Pound, by Province,  
1966-1974(a)

	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>	% Change 1966-70 to 1971-74
- Production, '000 lb. -							
Maritimes	58,523	60,186	45,486	59,850	43,974	52,374	-10.5
Quebec	171,555	171,150	155,862	133,266	181,356	160,408	- 6.5
Ontario	179,219	167,484	155,494	126,028	158,728	151,934	-15.2
B.C. (b)	216,350	147,078	181,484	234,090	192,539	188,798	-12.7
Canada	625,647	545,898	538,326	553,234	576,597	553,514	-11.5
- Farm Value, \$'000 -							
Maritimes	1,996	1,697	2,670	4,251	2,804	2,856	+43.1
Quebec	6,152	4,737	7,422	14,278	9,716	9,038	+46.9
Ontario	7,990	6,454	8,813	16,120	15,130	11,629	+45.5
B.C. (b)	12,620	8,465	11,255	18,386	15,532	13,410	+ 6.3
Canada	28,758	21,353	30,160	53,035	43,182	36,933	+28.4
- Farm Value, ¢ per lb. -							
Maritimes	3.4	2.8	5.9	7.1	6.4	5.5	+61.8
Quebec	3.6	2.8	4.8	10.7	5.4	5.6	+55.6
Ontario	4.5	3.9	5.7	12.8	9.5	7.7	+71.1
B.C. (b)	5.8	5.8	6.2	7.9	8.1	7.1	+22.4
Canada	4.6	3.9	5.6	9.6	7.5	6.7	+45.7

(a) Includes fresh exports.

(b) Includes crabapples.

Source: Statistics Canada and B.C. Department of Agriculture.



Table 1c: Apples: Sold for Processing, Production, Farm Value and Farm Value per Pound, by Province, 1966-1974

	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1966-70 to 1971-74
- Production, '000 lb. -							
Maritimes	93,574	65,184	50,064	45,150	61,026	55,356	- 40.8
Quebec	45,129	91,644	95,550	63,882	94,710	86,447	+ 91.6
Ontario	100,007	116,460	120,676	76,904	115,728	107,442	+ 7.4
B.C. (a)	72,594	43,863	61,914	87,496	48,069	60,335	- 16.9
Canada	311,304	317,151	328,204	273,432	319,533	309,580	- 0.6
- Farm Value, \$'000 -							
Maritimes	1,717	978	1,145	2,225	2,223	1,642	- 4.4
Quebec	577	1,520	2,100	3,324	2,314	2,315	+301.2
Ontario	2,390	2,499	3,527	5,372	5,672	4,268	+ 78.6
B.C. (a)	633	278	265	1,824	603	742	+ 17.2
Canada	5,317	5,275	7,037	12,745	10,812	8,967	+ 68.6
- Farm Value, ¢ per lb. -							
Maritimes	1.8	1.5	2.3	4.9	3.6	3.0	+ 66.7
Quebec	1.3	1.7	2.2	5.2	2.4	2.7	+107.7
Ontario	2.4	2.1	2.9	7.0	4.9	4.0	+ 66.7
B.C. (a)	0.9	0.6	0.4	2.1	1.3	1.2	+ 33.3
Canada	1.7	1.7	2.1	4.7	3.4	2.9	+ 70.6

(a) Includes crabapples.

Source: Statistics Canada and B.C. Department of Agriculture.

As shown in Table 1a, the average unit farm value of apples has increased substantially, from an average of 3.2 cents in 1961-65 to 5.3 cents per pound during 1971-74. The return to the growers appears to have risen somewhat more for processing apples than for apples sold to the fresh market.

#### SUPPLY AND DISPOSITION

Table 2 shows that the total supply of apples and crabapples averaged 1,006.6 million pounds in 1961-65 compared with 991.3 million pounds in 1971-74. Domestic production, as noted earlier, averaged 920.1 million pounds in 1961-65 but declined by 6.2 per cent to 863.1 million pounds in 1971-74. On the other hand, imports, including the fresh equivalent weight of processed imports, rose by 48.3 per cent from an annual average of 86.5 million pounds in 1961-65 to 128.2 million pounds in 1971-74. As a result of the rise in imports relative to domestic production, imports equalled 14.9 per cent of domestic production in 1971-74 compared with 9.4 per cent in 1961-65. In 1974-75, foreign growers sold apples in Canada equivalent to nearly 20 per cent of Canadian production.

The expansion in imports has been entirely in fresh apples; processed imports have actually declined. A rapidly expanding but small volume of fresh apples was imported by Canadian processors; the bulk, however, was for the fresh market.

The proportion of apples going to the fresh market and for processing has remained virtually the same during the review period at 70 per cent and 30 per cent respectively. Data for crabapples indicate that about 55 per cent of production went to the fresh market in 1961-65 and 1971-74.(1)

---

(1) B.C. Department of Agriculture.

Table 2: Apples and Crabapples: Supply and Disposition, Canada, Crop Years, 1961-65 to 1974-75

	Average 1961-65	Average 1966-70	1971-72	1972-73	1973-74	1974-75	Average 1971-74	% Change 1961-65 to 1971-74
Total Production	920,119	936,951	863,049	866,530	- '000 lb.	-	863,094	- 6.2
Total Imports (a)	86,469	99,183	114,286	92,507	133,491	172,540	128,207	+ 48.3
Fresh	54,283	64,455	86,903	80,297	119,464	162,570	112,309	+106.9
Processed (canned)	..	3,013	1,978	1,822	3,011	1,764	2,144	..
Processed (dried)	4,563	5,369	8,481	9,537	7,821	7,837	8,419	+ 84.5
Processed (juice-concentrates) (b)	27,623	26,295	16,924	851	3,192	361	5,332	- 80.7
Processed (juice-not concentrated) (b)	*	51	-	-	3	8	3	..
Total Supply Available	1,006,588	1,036,134	977,335	959,037	960,157	1,068,670	991,301	- 1.5
Available for processing or imported processed	314,977	360,528	307,083	353,310	261,627	268,070	297,523	- 5.5
From domestic production	280,008	320,200	277,700	338,600	206,000	247,900	267,550	- 4.4
Imported processed	32,186	34,728	27,383	12,210	14,027	9,970	15,898	- 50.6
Imported fresh	2,783	5,600	2,000	2,500	41,600	10,200	14,075	+405.7
Available for fresh market	691,611	675,606	670,252	605,727	698,530	800,600	693,778	- 0.3
From domestic production	640,111	616,751	585,349	527,930	620,666	648,230	595,544	- 7.0
Imported	51,500	58,855	84,903	77,797	77,864	152,370	98,234	+ 90.7

Table 2: Apples and Crabapples: Supply and Disposition, Canada, Crop Years, 1961-65 to 1974-75 (concl.)

	Average 1961-65	Average 1966-70	1971-72	1972-73	1973-74	1974-75	Average 1971-74	% Change 1961-65 to 1971-74
<b>Total Exports (a) (e)</b>				- '000 lb.	-			
Fresh	153,693	167,057	112,132	148,950	123,718	101,526	121,582	- 20.9
Processed (canned)	134,252	134,453	89,324	124,241	106,519	86,920	101,751	- 24.2
Processed (juice-concentrates)	11,305	11,755	10,785	5,760	5,503	2,184	6,058	- 46.4
Processed (juice-not concentrated)	3,039	15,895	8,057	7,505	7,708	6,090	7,340	+141.5
5,097	4,954	3,966	11,444	3,988	6,332			+ 26.2
<b>Total Re-exports</b>	27,623	26,295	16,924	851	3,192	361	5,332	- 80.7
Processed (juice-concentrates)	27,623	26,295	16,924	851	3,192	361	5,332	- 80.7
<b>Total Domestic Disappearance</b>	825,272	842,782	848,279	809,236	833,247	966,783	864,387	+ 4.7
Consumed in processed form	267,913	301,629	267,351	327,750	241,236	253,103	272,360	+ 1.7
From domestic production	260,567	287,596	254,892	313,891	188,801	233,294	247,719	- 4.9
Imported processed	4,563	8,433	10,459	11,359	10,835	9,609	10,566	+131.6
Imported fresh	2,783	5,600	2,000	2,500	41,600	10,200	14,075	+405.7
Fresh market consumption	557,359	541,153	580,928	481,486	592,011	713,680	592,027	+ 6.2
From domestic production	505,859	482,298	496,025	403,689	514,147	561,310	493,793	- 2.4
Imported	51,500	58,855	84,903	77,797	77,864	152,370	98,234	+ 90.7

(a) Processed imports, exports and re-exports converted to fresh equivalent on the basis of: 1.55 lb. fresh per 1 lb. canned product (including applesauce); 8.00 lb. fresh per 1 lb. dried product; 11.62 lb. fresh per 1 lb. concentrated juice product; 1.66 lb. fresh per 1 lb. not concentrated juice product.

(b) Re-export data used.

(c) Prior to 1967 included in "Fruit and Products, Canned n.e.s.".

(d) Four-year average, omitting 1966.

(e) Includes re-exports, except for juice concentrates.

Source: Derived from Statistics Canada and Agriculture Canada data.



Most apples for the fresh market are supplied by Canadian growers though the proportion and quantity have been declining in recent years. In 1971-74, 85.8 per cent of total fresh market supply came from domestic production compared with 92.6 per cent in 1961-65. The proportion of all apples processed in Canada supplied by Canadian growers has also declined, from 99.0 per cent in 1961-65 to 95.0 per cent in 1971-74, but clearly Canadian growers supply the bulk of these requirements.

Canadian exports of apples and crabapples declined during the review period but continued to account for a substantial share of production. Exports dropped from an annual average of 153.7 million pounds in 1961-65 to 121.6 million pounds in 1971-74, or from 16.7 per cent of production to 14.1 per cent respectively.

Fresh exports amounted to 134.3 million pounds in 1961-65, or 87.4 per cent of total exports, fresh and processed. This compares with 101.8 million pounds in 1971-74, or 83.7 per cent of total exports. Exports in processed form rose slightly from 19.4 million pounds in 1961-65 to 19.8 million pounds in 1971-74. Exports of canned apples dropped by about 46 per cent while exports of processed juice concentrates more than doubled.

Total domestic consumption rose from an annual average of 825.3 million pounds in 1961-65 to 864.4 million pounds in 1971-74. The proportion consumed in fresh and processed form remained virtually the same. Fresh market consumption rose from 557.4 million pounds in 1961-65 to 592.0 million pounds in 1971-74 and accounted for a little more than two-thirds of all apples consumed in Canada in both periods. Imports almost doubled from 51.5 million pounds in 1961-65 to 98.2 million pounds in 1971-74. As a result, the proportion of the fresh market supplied by domestic apples declined from 90.8 per cent in 1961-65 to 83.4 per cent in 1971-74.

Domestic apples for fresh market consumption are available throughout the year (see Appendix Table 4). Shipments are heaviest between September and March, and peak in October when both fall and winter varieties are available. Refrigeration, in particular controlled-atmosphere storage, makes it possible to extend the marketing period for domestic fresh apples. While a large volume moves directly from the farm to the fresh market and to processors, it appears that more than half the crop is stored for subsequent marketing (see Appendix Table 13).

Canada imports fresh market apples throughout the year, as indicated by unload information for the 12 principal markets. Such imports are smallest, in volume and as a proportion of domestic fresh consumption, during the peak production-marketing months of September to March when Canadian growers supply close to 85 per cent or more of domestic requirements. During the 1971-74 October-February period, they held more than 90 per cent of the market. Canadian growers have, however, lost ground to fresh market imports in all months of the year during the period under review. Import penetration has increased most during the shoulder months at the beginning and the end of the crop year (see Appendix Table 5).

### IMPORTS

Imports of fresh apples and crabapples rose from an annual average of 61.2 million pounds in 1966-70 to 109.5 million pounds in 1971-75 (see Appendix Table 6).<sup>(1)</sup> About 83 per cent of imports in 1971-75 arrived from the United States; most of the remainder came from New Zealand and South Africa. About 64 per cent of the fresh apple imports during 1971-75 arrived between April and September, toward the end of the Canadian marketing season and before the peak of the new crop season.

Washington has been the main U.S. source of fresh apple and crabapple imports (see Appendix Table 9). In 1974, that state supplied 68.2 per cent of the U.S. fresh apples and crabapples imported into Canada. Washington was the main supplier of imported apples in each tariff region. Michigan ranked second in the western region and New York in the central region.

In 1975, Ontario and Quebec were the largest importers with 44.5 million pounds and 39.4 million pounds respectively, and combined accounted for 56.7 per cent of all fresh apple and crabapple imports (see Appendix Table 7). The western region, with British Columbia accounting for 36 million of the regional total of 50 million pounds, imported 33.7 per cent and the Atlantic region 9.6 per cent.

### EXPORTS

Between 1966-70 and 1971-75, annual average exports of apples and crabapples declined by 26.9 per cent from 132.7 million pounds to 97.0 million pounds. As a result of the changes in imports and exports of fresh apples, the trade surplus of 71.5 million pounds per calendar year during 1966-70 turned into a deficit of 12.5 million pounds during 1971-75. The United States has always been an important market and its relative importance increased during the period under review. During 1966-70, an average of 72.5 million pounds of fresh apples, or 54.6 per cent of total exports, went to that country. By 1971-75, the United States accounted for 72.5 per cent of all apple exports, even though the actual volume dropped to an average of 70.4 million pounds.

The U.K. market for Canadian apples has declined drastically. In 1966-70, the United Kingdom took 34.1 million pounds of apples or 25.7 per cent of all Canadian fresh apple exports. By 1971-75, the quantity had fallen to 7.7 million pounds, or 8.0 per cent of exports. The decline in Canadian exports to the United Kingdom is directly related to its entry into the EEC on January 1, 1973. Shortly after entry, it imposed compensatory taxes on apples to protect its growers during the transitional period. In 1974 Canadian apples, which had previously entered the United Kingdom free of duty, became dutiable at rates that will increase yearly as the United Kingdom's Customs Tariff is assimilated in the Common Market External Tariff. In addition, freight rates have increased rather sharply in recent years and this has further reduced the competitiveness of Canadian exports in that market.

(1) The data relate to calendar years and are different from the figures for imports in Table 2 and Appendix Table 5 which are on a crop year basis.

Most apple exports occur in the six-month period immediately following harvesting. During 1971-75, for example, almost 80 per cent of all fresh exports were shipped from October to March (see Appendix Table 11).

In recent years, about 55 per cent of Canadian apple exports have come from British Columbia, mostly for fresh market consumption in the United States. Quebec and Ontario together exported close to a third of the Canadian total, reportedly equally divided between fresh market and processing apples.

### PRICES

Farm-gate prices of apples rose substantially during the period under study. The average unit farm value for all apples, including those for the fresh market and for processing, was 3.2 cents during 1961-65 and 5.3 cents during 1971-75. During the latter period fresh market apples averaged 6.7 cents per pound, ranging from 7.7 cents in Ontario to 5.5 cents in Nova Scotia.

Growers' prices have not increased continuously. Year-to-year fluctuations in the upward trend have occurred reflecting changes in supply-demand conditions. For instance, the poor crop in eastern Canada resulted in a sharp rise in grower returns in 1973-74, and was followed by a substantial decline in the ensuing year as production returned to normal levels.

The average unit farm values referred to above are a composite of many species, the most important of which are the McIntosh and Red Delicious. Separate farm-gate returns for these, and other, varieties were unavailable. It can, however, be assumed, with reason, that the price to the grower has increased for all varieties during the period under review, for some more so than for others. As could be expected, prices differ from one variety to another, for instance, Red Delicious are usually higher priced at the farm than McIntosh. This would appear to be substantiated by weekly wholesale-to-retail price quotations in Halifax, Montreal, Toronto, and Winnipeg in 1974 which were higher for Red Delicious than McIntosh (Appendix Tables 14a-14c).

Apple prices, which appear to be lowest at harvesting time, tend to rise subsequently as storage supplies are being depleted. Wholesale-to-retail prices of apples in 1974 were the highest in Ontario, followed by British Columbia, Quebec and Nova Scotia. Locally grown Red Delicious, not stored in atmosphere-controlled storage, ranged during the early part of 1974 from 18.5 to 19.6 cents per pound in Toronto, from 17.3 to 18.5 cents in Vancouver, and were 19.0 cents in Halifax.

Wholesale-to-retail prices of Red Delicious produced in British Columbia, the main growing area for this variety, increase as one moves east; during the week ending January 25, 1974 they were 17.4 cents per pound in Vancouver, 17.5 in Winnipeg, 19.4 in Montreal and 20.8 in Halifax. Transportation costs obviously raise the cost of British Columbia Delicious the further east they are marketed.

McIntosh apples produced in British Columbia and marketed in Winnipeg and Toronto show the same pattern. There were no price quotations for British Columbia McIntosh on the Montreal and Halifax markets in 1974; apparently they could not compete with the local product.

Generally speaking, wholesale-to-retail prices for domestic and imported apples were about the same. Red Delicious apples produced in Washington are sold across Canada, primarily in competition with the British Columbia product. On the Toronto and Montreal markets, Washington apples would, in fact, appear to be available practically year round; only during August and the first weeks of September would offerings of Red Delicious from that state appear to be unavailable, and then those markets are supplied by North Carolina. On the Winnipeg and Vancouver markets, Red Delicious from Washington, supplemented by some supplies during August-September from California, appear to be offered in quantity beginning toward the end of the marketing season for the British Columbia crop and until about the end of December. Wholesale prices of the imported product in eastern markets are similar to those for Red Delicious from British Columbia, although both are higher than the Ontario product. In western Canada, wholesale prices of the imported and domestic product tended to match each other as well, when both were available, except toward the end of the crop year when the U.S. product was at a premium.

With respect to McIntosh apples, grown principally in eastern Canada, it would appear that domestic growers encounter much less competition from imports of this variety, as indicated by the absence of in-season price quotations for the imported product on eastern markets. However, the Winnipeg market, McIntosh apples from Michigan were offered during 1974 for several months, in competition with the British Columbia product, at advantageous prices.

Table 4a below presents information on the average landed cost of Red Delicious imports at Toronto, Montreal, Winnipeg, and Vancouver. More detailed information can be found in Appendix Tables 15a and 15b. In 1974, freight, brokerage and associated costs varied depending on the market and its distance from the source of the imports. Such costs were, not surprisingly, smallest with respect to imports from Washington into Vancouver, 1.9 to 2.8 cents per pound. It is evident that growers in the Okanagan who are about equidistant from Vancouver must compete with U.S. growers on equal terms in that city and, as well, in other Canadian markets. Eastern producers of Red Delicious realize substantial protection with respect to transportation versus growers in Washington as well as those in British Columbia. McIntosh producers in eastern Canada would have a similar advantage relative to western producers, but this barrier would be much less with respect to Michigan suppliers.

Table 3: The Landed Cost of Imported Apples, Red Delicious, in Toronto and Vancouver, 1973 and 1974

		Cost f.o.b.	Freight, Brokerage, etc. - range in ¢ per lb. -	Duty	Total Landed Cost
Toronto	1973	12.1-21.0	2.6-3.7	Free	15.7-24.5
	1974	13.8-20.3	4.0-4.3	Free	18.1-24.3
Vancouver	1974	11.0-19.2	1.9-2.8	Free	12.9-22.0

Source: Appendix Tables 15a and 15b.



CANADA-UNITED STATES COMPARISONS

U.S. production of apples in 1971-74 averaged 6.2 billion pounds compared with 5.9 billion pounds in 1966-70 (see Appendix Table 16a). Thus, while Canadian production declined by 6 per cent, U.S. output increased by about that much; its share of North American production rose while Canada's share diminished. During 1971-74, the U.S. apple production was about seven times larger than that of Canada. It is noticeable that the State of Washington has substantially increased its importance as a producer since 1971. About 25 per cent of production in 1971-74 was located in Washington, 13 per cent in New York and 10 per cent in Michigan.

U.S. fresh apple exports to Canada, an average of 90.6 million pounds during 1971-75, comprise less than 3 per cent of its production of fresh market apples, but 15 per cent of the Canadian fresh market. On the other hand, Canadian exports to that country, 70 million pounds annually during 1971-75 represented about 12 per cent of domestic fresh market production, but only 2 per cent of U.S. production for that market. During this period, the United States had a surplus of trade in apples with Canada averaging 20 million pounds, the same margin by which trade between the two countries favoured Canada during 1966-70.

Accurate and comparable data on production costs in Canada and the United States were not available to the Board. Average unit farm values, Table 1a and Appendix Table 16a, suggest that the Canadian grower receives less for fresh market apples than his U.S. counterpart; during 1971-74, fresh market apples averaged a farm value of 9.5 cents per pound in the United States as against 6.7 cents in Canada. However, it is believed that off-farm packaging costs are probably correspondingly higher in Canada, particularly in recent years, because of higher labour costs. Average unit farm values for apples sold for processing were also lower in Canada. Comparing the main growing regions in each country the differences at the farm level are of the same order (Table 4).

Table 4: Apples: Average Unit Farm Values, United States and Canada and Main Growing Areas, Annual Average 1971-74

	<u>Total Production</u>	<u>Sold for the Fresh Market</u>	<u>Sold for Processing</u>
	¢ per lb.	¢ per lb.	¢ per lb.
Canada	5.3	6.7	2.9
Ontario	6.1	7.7	4.0
British Columbia (a)	5.7	7.1	1.2
Quebec	4.6	5.6	2.7
United States	7.2	9.5	4.1
Washington	8.2	9.3	3.9
New York	6.4	10.7	4.2
Michigan	5.5	8.4	4.5

(a) Includes crabapples.

Source: Tables 1a, 1b, 1c; and Appendix Tables 16a, 16b, and 16c.



TARIFF CONSIDERATIONS

Fresh apples and crabapples entering Canada, for fresh market consumption or for processing, are currently dutiable under tariff item 9300-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Apples, fresh in their natural state, the weight of the packages to be included in the weight for duty ... ..... per pound	Free	Free	1 ct.

This item is bound under GATT and has existed in its present form since 1969. The reductions since 1930 in the rates of duties on apples under the Most-Favoured-Nation and General Tariff are shown in Table 5, which includes only those changes, by Statute or Trade Agreement, which affected applicable rates of duties. The rates shown in the table are per cent ad valorem or cents per pound.

Table 5: Apples: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free (b)	15 p.c.	20 p.c. (c)
1948, January 1 GATT		Free (d) (e) or $\frac{3}{4}$ ct.	
1950, June 1 Statutory Change	Free	Free (d) or $\frac{3}{4}$ ct.	20 p.c.
1951, June 6 GATT		Free (f) or $\frac{3}{8}$ ct.	
1959, April 10 Statutory Change	Free	$\frac{1}{4}$ ct.	20 p.c.
1968, January 1 Statutory Change (g)	Free	0.20 ct.	1 ct.
1969, January 1 Statutory Change	Free	0.15 ct.	1 ct.
1969, June 4 Statutory Change	Free	Free	1 ct.

(a) Applicable to imports from the United States until Dec. 31, 1935.

(b) Under the New Zealand Trade Agreement, in effect since May 24, 1932, free entry is bound for apples from that country; under the South African Trade Agreement, in effect since June 30, 1933, free entry is bound for apples from that country for the period April 1-June 30.

(c) Not less than  $\frac{3}{5}$  ct.

(d) Free, May 20-July 12; dutiable balance of year.

(e) Not applied until 1950.

(f) Free, May 20-July 31; dutiable balance of year.

(g) As a result of the Kennedy Round.

Source: Canadian Customs Tariff.

U.S. imports of fresh apples from Canada enter under item 146.10 and are free of duty.

The Canadian Horticultural Council proposed that no change be made in the existing rates of duty applicable to apples and crabapples. The Australian Apple and Pear Board, the Northwest Horticultural Council of Yakima, Washington, and the Canadian Fruit Wholesalers' Association all urged the retention of free entry.

### CONCLUSIONS

During the period under review Canadian growers have lost ground in the domestic market as well as in foreign markets. Canadian imports of apples have increased and Canadian exports and production have declined. Imports expanded their share of the fresh market from 9.2 per cent in 1961-65 to 16.6 per cent in 1971-74. Over the same timeframe Canadian exports of fresh apples diminished from 14.6 per cent of production to 11.8 per cent. Canadian output, comparing the annual average for 1971-74 with that of 1961-65, dropped by some 6 per cent.

The deterioration of Canada's trading position, evidenced in these statistics, was of considerable concern to the Board. The growth in imports, particularly in recent years, accompanied by a significant downward slide in exports, indicates substantial erosion of the competitive position of the Canadian industry, particularly in view of the import penetration that has taken place during the marketing period for Canadian apples. In fact the percentage of domestic production currently imported exceeds the proportion exported by a considerable margin.

While drawing attention to these unfavourable developments, the Board was reluctant, for several reasons, to move toward a protectionist stance for this sector at this time. It is clear, for example, that much of the slippage in exports is attributable to the entry of the United Kingdom into the Common Market and not to a loss of competitive strength on Canada's part per se. Exports to the important U.S. market have been much better sustained, as have exports to other markets. It is also evident that much of the acceleration in imports occurred after 1972. During this period production costs for Canadian growers, reflecting general inflationary pressures, rose more rapidly than those of their competitors, particularly in the United States. This development was aggravated by the increasing value of the Canadian dollar, a trend which has been reversed in recent months. The sharpened deterioration in the market position of Canadian apple growers over the last several years may therefore have been a temporary phenomenon. The Board also notes that entry into the United States, by far Canada's most important export market, is free of duty.

There is clearly need for continuing close scrutiny of ongoing developments in this industry and its markets in view of its eroded position in world trade. For example, freight charges levied on provincial shipments in Canada, as against freight on fruits imported from the United States shipped similar distances, are of obvious concern. Similarly, the loss of certain markets in central Canada may indicate inadequate marketing and distribution practices. Nevertheless, in view of its still basically strong position in Canadian markets, and the continuing export orientation of a major sector of the industry, the Board concludes that tariff protection for the apple growing industry is not warranted at this time. The Board therefore recommends that the present tariff provision for free entry be maintained.

#### RECOMMENDATIONS

The Board recommends that the present tariff provision for apples be relocated, without change in the rates of duty, under the general heading for fresh fruits in their natural state.

Apples: Number of Trees, Acres and Farms Reporting, by Province and Region, 1961 and 1971

	1961				1971			
	No. of Farms Reporting	Number of Trees		No. of Farms Reporting	Number of Trees		Total Acres	
		Total	Under 5 yrs.		Over 5 yrs.	Under 5 yrs.		Over 5 yrs.
<u>Atlantic Region</u>	1,954	711	72	639	867	199	620	13,266
Nfld.	12	1	*	1	2	-	*	1
P.E.I.	83	8	1	7	25	3	3	107
N.S.	1,337	585	61	525	665	166	542	11,348
N.B.	522	117	10	107	175	29	74	1,810
<u>Central Region</u>	11,097	2,623	466	2,157	5,785	988	2,183	57,017
Que.	4,732	1,252	173	1,079	2,029	285	951	23,598
Ont.	6,365	1,371	293	1,078	3,756	703	1,232	33,419
<u>Western Region</u>	4,231	1,463	513	950	3,034	1,307	1,390	22,009
Man.	157	17	5	12	69	11	3	104
Sask.	129	13	5	9	82	4	3	121
Alta.	84	15	6	9	59	16	6	162
B.C.	3,861	1,418	497	921	2,824	1,277	1,378	21,622
Canada (a)	17,282	4,797	1,051	3,746	9,686	2,494	4,193	92,292

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Appendix Table 2

Apples: Yield per Tree, by Province 1961-65 and 1971-74

	<u>1961</u>	<u>1971</u>	<u>% Change 1961 to 1971</u>
- Number of Trees (a) -			
Nfld.	523	40	-92.4
P.E.I.	7,210	3,446	-52.2
N.S.	524,604	542,449	+ 3.4
N.B.	107,023	74,060	-30.8
Que.	1,079,006	950,835	-11.9
Ont.	1,077,964	1,232,436	+14.3
Man.	11,526	3,020	-73.8
Sask.	8,838	2,659	-69.9
Alta.	8,609	6,125	-28.9
B.C. (d)	920,735	1,378,234	+49.7
Canada (b)	3,746,038	4,193,304	+11.9
- Production, '000 lb. (c) -			
Nfld.	-	-	-
P.E.I.	-	-	-
N.S.	128,898	93,975	-27.1
N.B.	21,375	13,755	-35.6
Que.	232,524	245,855	+ 6.2
Ont.	251,694	259,376	+ 3.1
Man.	-	-	-
Sask.	-	-	-
Alta.	-	-	-
B.C. (d)	285,628	249,133	-12.8
Canada (b)	920,119	863,094	- 6.2
- Yield per Tree, lb. -			
Nfld.	-	-	-
P.E.I.	-	-	-
N.S.	245.7	173.2	-29.5
N.B.	199.7	185.7	- 7.0
Que.	215.5	259.6	+20.5
Ont.	233.5	210.5	- 9.9
Man.	-	-	-
Sask.	-	-	-
Alta.	-	-	-
B.C. (d)	310.2	180.8	-41.7
Canada (b)	245.6	205.8	-16.2

(a) Number of trees five years and over.

(b) Includes data for Yukon and Northwest Territories.

(c) Production, average, 1961-65 and 1971-74.

(d) Includes crabapples.

Source: Statistics Canada.



	Average 1961-65	Average 1966-70	1971-72	1972-73	1973-74	1974-75	Average 1971-75
	- per cent -						
<u>Per Cent of Domestic Production:</u>							
Consumed in Processed Form	28.3	30.7	29.5	36.2	22.8	26.0	28.7
Consumed Fresh	55.0	51.5	57.5	46.6	62.2	62.6	57.2
Exported	16.7	17.8	13.0	17.2	15.0	11.3	14.1
<u>Total Imports as Per Cent:</u>							
of Total Supply Available	8.6	9.6	11.7	9.6	13.9	16.1	12.9
of Total Domestic Disappearance	10.5	11.8	13.5	11.4	16.0	17.8	14.8
<u>Fresh Market Imports as Per Cent:</u>							
of Fresh Market Availability	7.4	8.7	12.7	12.8	11.1	19.0	14.2
of Fresh Exports	38.4	43.8	95.1	62.6	73.1	175.3	96.5
of Fresh Market Consumption	9.2	10.9	14.6	16.2	13.2	21.3	16.6
<u>Processed Imports (a) as Per Cent:</u>							
of Consumption in Processed Form	1.7	2.8	3.9	3.5	4.5	3.8	3.9
of Total Domestic Disappearance	0.6	1.0	1.2	1.4	1.3	1.0	1.2
<u>Per Cent of Fresh Market Consumption</u>							
From Domestic Production	90.8	89.1	85.4	83.8	86.8	78.7	83.4
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in Processed Form	32.5	35.8	31.5	40.5	29.0	26.2	31.5
Consumed in Fresh Form	67.5	64.2	68.5	59.5	71.0	73.8	68.5
<u>Production as % of Total Domestic Disappearance</u>							
	111.5	111.2	101.7	107.1	99.2	92.7	99.9

(a) Processed imports consumed domestically.

Source: Table 2.

Apples and Crabapples: Estimated Monthly Distribution of Fresh Shipments,<sup>(a)</sup> Crop Years, 1966-70 to 1974-75

	<u>Average 1966-70</u>	<u>Average 1971-74</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
	- thousand pounds -					
July	12,358	9,832	15,788	11,667	5,810	6,062
Aug.	20,828	20,162	20,774	20,709	20,977	18,186
Sept.	57,692	56,400	61,820	48,564	53,491	61,744
Oct.	76,021	70,616	69,215	53,085	75,014	85,151
Nov.	48,876	53,377	58,412	45,254	54,551	55,289
Dec.	45,404	47,854	55,922	35,202	45,451	54,840
Jan.	42,696	51,510	38,710	42,024	52,392	72,914
Feb.	46,168	50,029	43,710	35,928	57,893	62,586
Mar.	43,669	48,101	56,601	41,217	45,245	49,339
Apr.	38,184	38,071	30,456	30,963	45,399	45,466
May	31,380	32,302	25,739	26,078	43,600	33,791
June	<u>19,022</u>	<u>15,541</u>	<u>18,879</u>	<u>12,999</u>	<u>14,345</u>	<u>15,941</u>
Total	482,298	493,793	496,025	403,689	514,147	561,310

(a) Domestic production for domestic fresh market.

Source: Derived from Agriculture Canada and Statistics Canada data.

Appendix Table 5

Apples and Crabapples: Estimated Distribution of Fresh Market Consumption, Crop Years, 1961-65 to 1971-74

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>Average 1971-74</u>			
	<u>Imports as % of Con- sumption</u>	<u>Imports as % of Con- sumption</u>	<u>From Domestic Produc- tion</u>	<u>From Imports</u>	<u>Total Consump- tion</u>	<u>Imports as % of Con- sumption</u>
	- per cent	-	- thousand pounds	-	-	per cent
July	36.7	28.1	9,832	7,710	17,542	44.0
Aug.	9.3	13.7	20,162	7,854	28,016	28.0
Sept.	6.5	10.4	56,400	10,960	67,360	16.3
Oct.	5.1	6.5	70,616	7,196	77,812	9.2
Nov.	4.9	4.6	53,377	4,622	57,999	8.0
Dec.	4.4	4.0	47,854	2,753	50,607	5.4
Jan.	5.0	4.9	51,510	3,367	54,877	6.1
Feb.	8.2	6.1	50,029	5,233	55,262	9.5
Mar.	11.6	9.3	48,101	7,243	55,344	13.1
Apr.	12.4	11.1	38,071	9,548	47,619	20.1
May	20.5	23.5	32,302	14,725	47,027	31.3
June	24.4	35.4	<u>15,541</u>	<u>17,023</u>	<u>32,564</u>	52.3
Total	9.2	10.9	493,793	98,234	592,027	16.6

Source: Derived from Agriculture Canada and Statistics Canada data.

Appendix Table 6

Apples and Crabapples: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Republic of South Africa</u>	<u>New Zealand</u>	<u>Australia</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -					
1966	50,232	1,142	3,097	219	-	54,690
1967	39,473	2,069	4,087	743	69	46,441
1968	41,320	4,099	3,578	459	1,359	50,815
1969	45,292	9,616	3,220	3,297	419	61,844
1970	76,690	7,050	5,329	3,260	53	92,384
Average 1966-70	50,602	4,795	3,862	1,596	380	61,235
1971	63,643	9,386	4,584	4,443	120	82,176
1972	73,412	4,456	7,721	-	1,967	87,555
1973	76,787	9,472	7,537	19	2	93,816
1974	113,380	8,314	11,565	1	2,919	136,178
1975	125,770	5,237	12,287	174	4,546	148,014
Average 1971-75	90,598	7,373	8,739	927	1,911	109,548

Source: Statistics Canada.

Appendix Table 7

Apples and Crabapples: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	2,407	2,841	5,569	4,633	10,919	14,203
Nfld.	1,235	1,231	1,397	554	299	129
P.E.I.	174	165	167	89	264	406
N.S.	509	281	2,216	2,552	4,665	5,437
N.B.	489	1,164	1,789	1,439	5,692	8,231
Central Region	31,746	45,380	41,956	56,161	85,988	83,916
Que.	16,818	26,058	21,559	24,059	33,083	39,383
Ont.	14,927	19,322	20,396	32,102	52,904	44,533
Western Region	27,082	33,955	40,030	33,022	39,272	49,895
Man.	6,138	7,123	6,537	3,819	5,046	7,099
Sask.	979	1,741	2,620	1,828	2,303	3,390
Alta.	1,599	1,941	4,213	2,096	2,304	3,736
B.C.	18,366	23,149	26,660	25,280	29,618	35,670
Canada	61,235	82,176	87,555	93,816	136,178	148,014

Source: Statistics Canada.

Appendix Table 8

Apples and Crabapples: Imports by Month, Crop Years,  
1966-70 to 1975-76

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>
	- thousand pounds -							
July	5,320	8.3	9,132	7.8	7,343	8,529	10,878	10,165
Aug.	2,568	4.0	6,150	5.3	7,381	5,514	8,592	5,032
Sept.	5,695	8.8	8,998	7.7	8,190	6,377	10,615	11,103
Oct.	6,816	10.6	10,074	8.6	7,565	13,101	12,942	10,328
Nov.	5,713	8.9	8,109	6.9	3,438	10,668	12,232	9,859
Dec.	3,511	5.4	6,168	5.3	2,958	6,205	11,850	6,066
Jan.	2,341	3.6	4,506	3.9	2,746	5,317	6,235	5,365
Feb.	3,284	5.1	5,800	5.0	2,662	7,161	9,006	6,737
Mar.	3,725	5.8	7,815	6.7	4,382	8,195	11,189	9,382
Apr.	4,519	7.0	9,025	7.7	5,311	5,398	15,511	12,389
May	9,881	15.3	16,618	14.2	14,693	14,113	24,753	16,799
June	11,081	17.2	24,582	21.0	13,629	28,886	28,767	32,429
Total	64,455	100.0	116,978	100.0	80,297	119,464	162,570	135,654

Source: Statistics Canada.

Appendix Table 9

Apples: Percentage Distribution of Imports to Fresh Market from  
United States, by State of Origin, by Region, 1972-74

	<u>Wash.</u>	<u>Mich.</u>	<u>Calif.</u>	<u>N.Y.</u>	<u>Others</u>	<u>Total</u>
<u>1972</u>	- per cent -					
Maritime Region	46.5	-	4.1	3.8	45.7	100.0
Central Region	62.8	0.2	-	8.5	28.5	100.0
Western Region	58.3	18.0	6.7	8.5	8.4	100.0
Canada	60.3	9.3	3.5	8.5	18.5	100.0
<u>1973</u>						
Maritime Region	70.2	-	4.5	-	25.3	100.0
Central Region	76.4	2.6	*	4.1	16.9	100.0
Western Region	76.3	12.1	3.9	5.4	2.3	100.0
Canada	76.2	6.1	1.6	4.5	11.6	100.0
<u>1974</u>						
Maritime Region	70.0	-	2.1	0.3	27.7	100.0
Central Region	67.9	2.4	0.2	10.9	18.6	100.0
Western Region	68.8	16.4	7.6	2.2	5.0	100.0
Canada	68.2	6.8	2.6	7.9	14.5	100.0

Source: Agriculture Canada.

Appendix Table 10

Apples and Crabapples: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>United Kingdom</u>	<u>Norway</u>	<u>Hong Kong</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -					
1966	30,944	50,204	9,838	1,642	25,223	117,852
1967	74,599	47,489	2,498	1,835	28,258	154,679
1968	104,305	32,342	5,785	2,583	12,142	157,157
1969	86,534	23,450	1,001	3,921	14,955	129,861
1970	65,974	16,867	2,077	6,865	12,365	104,148
Average 1966-70	72,471	34,070	4,240	3,369	18,589	132,739
1971	77,703	9,816	2,879	4,376	7,653	102,427
1972	75,916	8,965	-	6,886	8,471	100,238
1973	78,985	14,967	3,114	6,932	14,483	118,482
1974	58,687	1,901	1,027	9,754	6,421	77,790
1975	60,637	3,041	389	8,338	13,815	86,221
Average 1971-75	70,386	7,738	1,432	7,257	10,169	97,031

Source: Statistics Canada.

Appendix Table 11

Apples and Crabapples: Exports by Month, Crop Years,  
1966-70 to 1975-76

	<u>Average 1966-70</u>	<u>Average 1971-75</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>
	- thousand pounds -					
July	1,668	1,996	2,809	1,026	549	3,168
Aug.	1,194	944	770	909	212	618
Sept.	1,477	2,876	2,691	4,145	1,732	2,772
Oct.	10,057	10,005	14,074	13,027	8,329	5,778
Nov.	16,550	13,354	22,636	16,890	9,813	6,946
Dec.	19,871	14,210	11,774	16,811	11,809	19,196
Jan.	24,733	15,948	21,972	11,026	12,054	21,592
Feb.	19,907	11,649	13,864	8,343	13,012	12,073
Mar.	15,030	8,898	8,916	13,129	7,188	6,481
Apr.	9,070	6,662	10,857	3,818	4,427	6,887
May	7,956	6,033	7,251	6,771	7,752	4,675
June	<u>3,999</u>	<u>3,089</u>	<u>2,814</u>	<u>2,260</u>	<u>3,309</u>	<u>5,441</u>
Total	131,511	95,664	120,427	98,153	80,186	95,626

Source: Statistics Canada.



Appendix Table 12

Apples and Crabapples: Exports by Province and Region, 1972-1975

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -			
Atlantic Region	7,124	7,885	3,761	2,799
N.S.	6,258	5,368	2,787	2,731
P.E.I.	-	-	44	-
N.B.	866	2,517	929	68
Central Region	56,621	43,699	16,645	29,401
Que.	32,344	27,549	9,106	17,557
Ont.	24,277	16,150	7,539	11,844
Western Region	36,493	66,898	57,384	54,021
Man.	-	32	239	434
Sask.	10,162	6,754	6,517	4,524
Alta.	-	-	33	-
B.C.	26,330	60,111	50,594	49,064
Canada	100,238	118,482	77,790	86,221

---

Source: Statistics Canada.

## Apples: Monthly Storage Holdings, on the 1st of the Month, 1971-72 to 1974-75

	Maritime Region	Quebec	Ontario	Central Region	Prairies	British Columbia	Western Region	Canada
					- thousand pounds			
1971-72								
Nov.	74,369	136,342	148,841	285,183	2,163	134,189	136,352	495,904
Dec.	60,801	124,742	141,091	265,833	2,135	118,611	120,746	447,380
Jan.	38,301	98,608	117,859	216,467	1,677	94,018	95,695	350,463
Feb.	25,915	87,166	92,723	179,889	1,659	67,882	69,541	275,345
Mar.	16,717	70,449	68,659	139,108	2,010	43,328	45,338	201,163
Apr.	8,930	53,943	47,035	100,978	1,929	25,138	27,067	136,975
May	4,359	34,136	29,084	63,220	1,235	11,716	12,951	80,530
1972-73								
Nov.	43,040	119,875	123,436	243,311	2,013	179,519	181,532	467,883
Dec.	41,461	109,257	117,245	226,502	1,867	145,038	146,905	414,868
Jan.	28,507	90,975	98,365	189,340	1,660	115,735	117,395	335,242
Feb.	15,417	75,772	74,825	150,597	1,957	80,052	82,009	248,023
Mar.	9,207	56,641	54,354	110,995	1,843	50,778	52,621	172,823
Apr.	4,628	40,041	35,814	75,855	2,048	25,849	27,897	108,380
May	1,202	22,494	21,672	44,166	1,662	9,843	11,505	56,873
1973-74								
Nov.	62,313	95,145	88,865	184,010	1,808	243,101	244,909	491,232
Dec.	43,409	79,169	71,740	150,909	2,514	201,506	204,020	398,338
Jan.	28,200	66,224	58,964	125,188	2,301	170,594	172,895	326,283
Feb.	18,049	54,925	43,899	98,824	1,815	129,186	131,001	247,874
Mar.	11,606	42,792	35,220	78,012	2,318	84,875	87,193	176,811
Apr.	6,210	31,347	23,363	54,710	1,609	56,104	57,713	118,633
May	2,642	21,007	11,484	32,491	1,828	29,808	31,636	66,769



Appendix Table 14a

Apples (McIntosh, Fancy): Weekly Wholesale to Retail Prices at Halifax, Montreal,  
Toronto, Winnipeg and Vancouver, 1974

Week Ending	Halifax		Montreal Que.	Toronto Ont.		Winnipeg		Vancouver	
	N.S.	N.J.				B.C.	Mich.	B.C.	Wash. Loose
	40 lb.	36 lb.	40 lb.	- Cello -	- 36 lb. -				38 lb.
				- cents per pound -					
Jan. 4	16.3		16.6	23.5	17.7	17.5			
11	16.3		16.9	23.5	17.9	17.9			
18	16.3		16.9	23.5	17.6	17.9			
25	16.3		16.9	23.5	19.1	17.9			
Feb. 1	16.3		17.2 (a)	23.5	18.9	18.7			
8	16.3		19.4 (a)	23.5	19.0	19.3			
15	16.9 (a)		19.4 (a)	23.5	19.0	19.3 (g)			
22	16.9 (a)		19.1 (a)	23.5	19.0 (a)	22.0 (g)			
Mar. 1	16.9 (a)		19.1 (a)	23.5	25.4 (a)	23.8 (g)			
8	16.9 (a)		19.1 (a)	23.5	25.4 (a)	23.8 (g)			
15	16.9 (a)		18.8 (a)	23.5 (a)	24.8 (a)	23.5 (g)			
22	16.9 (a)		18.8 (a)	23.5 (a)	23.8 (a)	23.4 (g)			
29	16.9 (a)		18.8 (a)	24.4 (a)	23.4 (a)	23.4 (g)			
Apr. 5	18.1 (a)		18.5 (a)	18.8 (a)	23.4 (a)	23.5 (g)			
12	18.1 (a)		18.5 (a)	18.4 (a)	23.4 (a)	23.5 (g)			
19	16.9 (a)		18.5 (a)	18.4 (a)	23.4 (a)	23.5 (g)			
26	16.9 (a)		18.5 (a)	18.4 (a)	23.4 (a)	23.3 (g)			
3	16.9 (a)		18.5 (a)	18.4 (a)	24.0 (a)	20.2 (g)			
10	16.9 (a)		18.5 (a)	21.8 (a)	24.0 (a)				39.3 (h)
17	16.9 (a)		18.5 (a)	23.3 (a)	24.3 (a)				34.5 (h)
24	16.9 (a)		18.5 (a)	24.2 (a)	24.2 (a)				34.5 (h)
31	16.9 (a)		18.5 (a)	24.2 (a)	24.2 (a)				34.5 (h)
June 7	27.8 (b)		17.8 (a)	24.2 (a)	24.2 (a)				
14	29.2 (b)		18.8 (a)	24.2 (a)	24.2 (a)				
21	31.3 (b)		19.1 (a)	24.2 (a)	24.2 (a)				
28			20.3						

Appendix Table 14a (cont.)

Apples (McIntosh, Fancy): Weekly Wholesale to Retail Prices at Halifax, Montreal,  
Toronto, Winnipeg and Vancouver, 1974

Week Ending	Halifax		Montreal		Toronto		Winnipeg		Vancouver	
	N.S.	N.J.	Que.	Ont.	B.C.	Mich.	B.C.	Wash.		
	40 lb.	36 lb.	40 lb.	- Cello -	- 36 lb. -	-	-	Loose		38 lb.
				- cents per pound -						
July 5			20.3 (a)							
12			20.3 (a)							
19			20.3 (a)							
26										
Aug. 2										
9										
16										
23										
30										
Sept. 6		28.3	12.2 (d)	20.8 (d)		25.1 (e)		27.2 (f)		
13		28.3	11.6 (d)	20.2 (d)		24.8 (e)		23.4		
20		25.0	11.6 (d)	19.6 (d)		23.8 (e)		23.4		
27		25.0	16.3 (c)	17.0 (d)		25.3 (e)		23.4		
Oct. 4		25.0	16.3 (c)	14.9 (d)		21.9		30.3 (f)		
11		25.0	16.3 (c)	13.1 (d)		21.8		28.9 (f)		
18	21.5 (c)		16.3 (c)	13.4	21.4 (f)	21.8	23.5 (f)			
25	18.8		16.3 (c)	18.5	23.8 (f)	19.1	22.2			
Nov. 1	18.8		16.0 (c)	18.5	23.8 (f)	18.6	22.1			
8	18.8		16.0 (c)	18.5	24.3 (f)	18.6	22.0			
15	18.8		15.6 (c)	18.5	23.5 (f)	18.1	22.0			
22	17.5		15.6 (c)	18.5	22.9	17.4	22.0			
29	17.5		15.6 (c)	18.5	23.3	17.4	22.5			
					23.3	17.4	22.5			



Apples (McIntosh, Fancy): Weekly Wholesale to Retail Prices at Halifax, Montreal,  
Toronto, Winnipeg and Vancouver, 1974

Week Ending	Halifax		Montreal		Toronto		Winnipeg		Vancouver	
	N.S.	N.J.	Que.	Ont.	B.C.	Mich.	B.C.	Wash.	Loose	38 lb.
	40 lb.	36 lb.	40 lb.	- Cello	-	-	-	-		
				- cents per pound	-					
Dec. 6	16.3		15.6 <sup>(c)</sup>	18.5	23.3	17.7	22.5			
13	16.3		15.6 <sup>(c)</sup>	17.4	23.3	17.1	22.5			
20	16.3		16.3 <sup>(c)</sup>	15.6	23.3	18.4	22.5			
27	16.3		15.8 <sup>(c)</sup>	15.6	23.3	18.4	22.5			

- (a) Quotations for apples stored in controlled atmosphere.  
 (b) Quotations for Quebec, controlled atmosphere, cello, 12X3 pounds= 36 pounds.  
 (c) Cello, 12X3 pounds= 36 pounds.  
 (d) Bushel= 42 pounds.  
 (e) Quotations for Washington, Carton= 42 pounds.  
 (f) Tray-Pak= 42 pounds.  
 (g) Quotations for controlled atmosphere, cell-pak= 42 pounds.  
 (h) Quotations for Maine, controlled atmosphere, cell-pak= 42 pounds.

Source: Agriculture Canada.

Appendix Table 14b

Apples (Red Delicious, Fancy): Weekly Wholesale to Retail Prices at  
Halifax, Montreal and Toronto, 1974

Week Ending	Halifax			Montreal			Toronto		
	N.S.	B.C.	Wash.	B.C.	Wash.	Ont.	B.C.	Wash.	
			- ctn, tray-pak -	- ctn, tray-pak -	- 42 lb. -	Bu.	- ctn, tray-pak -		
				- cents per pound -					
Jan. 4	19.0	20.2		18.8	19.0	18.5	18.2	17.6	
11	19.0	21.4		19.0	19.0	18.5	18.2	17.6	
18	19.0	20.8		19.4	19.0	19.0	18.5	18.8	
25	19.0	20.8		19.4	19.0	19.6	18.8	18.8	
Feb. 1	19.0	20.8		19.4	19.0	19.6	18.8	18.8	
8	19.0	20.8		19.6	19.6	19.6	19.0	18.5	
15	19.0	20.8		19.6	19.6	19.6	19.4	18.8	
22	19.0	20.8		19.4	19.6	19.6	19.4	18.8	
Mar. 1	19.0	20.8		19.0	19.0	19.6	19.4	18.8	
8	19.0	20.8		18.8	18.8	19.0	19.4	18.8	
15	19.0	20.8		18.5	18.8	18.5	19.4	18.8	
22	19.0	20.8		17.6	18.8	18.5	19.4	18.8	
29	19.0(d)	20.8		18.2	19.4	19.6	19.4	18.8	
Apr. 5	16.9(d)	20.8		18.2	18.8(a)	19.6	19.4	18.8	
12	16.9(d)	20.8		18.2	20.0(a)	19.6	19.4	18.8	
19	16.9	20.8			20.5(a)	19.6(a)	19.4	20.0	
26		25.0			20.5(a)	20.8	19.4	19.4(a)	
3		25.0			19.4(a)	21.7(a)	19.4	19.4(a)	
May 10				19.4(a)	19.4(a)	22.6(a)	20.0	20.0(a)	
17		25.0			20.8(a)	22.9(a)	20.0	20.0(a)	
24		25.0			20.5(a)	22.9(a)	21.1(a)	21.1(a)	
31		26.2			20.0(a)	22.9(a)	22.9(a)	22.9(a)	
June 7					22.0(a)	23.2(a)	23.5(a)	23.5(a)	
14					23.5(a)	23.2	25.9(a)	25.9(a)	
21					25.6(a)		26.5(a)	26.5(a)	
28					25.6				



Apples (Red Delicious, Fancy): Weekly Wholesale to Retail  
Prices at Winnipeg and  
Vancouver, 1974

Week Ending	Winnipeg		Vancouver	
	B.C.	Wash.	B.C.	Wash.
	- ctn., 42 lbs. -			
	- cents per pound -			
Jan. 4	18.0		17.3	
11	17.7		17.4	
18	17.7		17.4	
25	17.5		17.4	
Feb. 1	17.5		17.3	
8	17.5		17.3	
15	17.5		17.9	
22	17.5		17.2	
Mar. 1	17.5		17.2	
8	17.5		16.9	
15	17.5		16.9	
22	17.9		16.9	
29	17.1		17.3	
Apr. 5	16.7		18.5	
12	16.7		17.7	
19	16.8			
26	18.2		19.4 (a)	
May 3	18.2		19.4 (a)	
10	19.6		19.4 (a)	
17	19.6 (a)		19.4 (a)	
24	19.6 (a)		19.8 (a)	
31	21.5 (a)		21.1 (a)	
June 7	22.6 (a)	24.1 (a)	25.1 (a)	
14	22.0 (a)	24.4 (a)	27.1 (a)	
21	23.2 (a)	25.3 (a)		26.5 (a)
28	23.2 (a)	27.7 (a)		27.1 (a)
July 5	24.1 (a)	26.5 (a)		30.1 (a)
12	24.4 (a)	28.6 (a)		30.1 (a)
19	24.4 (a)	28.0 (a)		30.8 (a)
26		28.6 (a)		30.8 (a)
Aug. 2				31.9 (a)
Sept. 6				27.5 (b)
13				27.5 (b)
20				27.1 (b)
27				25.9 (b)
Oct. 4		21.4		25.9
11		20.8	22.5	25.9
18		22.0	22.5	25.9 (d)
25		21.4	23.5	22.4
Nov. 1	22.9	20.2	22.1	20.2
8	21.6	20.2	22.3	19.0
15	21.0	20.4	21.0	19.0
22	20.5	19.6	21.0	
29	19.0	19.6 (c)	18.8	
Dec. 6	19.0	18.8	20.8	15.8 (d)
13	19.6	18.5	20.8	15.8 (d)
20	19.2	18.5	21.1	18.4 (d)
27	19.2	18.5	21.1	18.4 (d)

(a) Quotations for apples stored in controlled atmosphere.

(b) Quotations for California.

(c) Quotations for Minnesota.

(d) Loose - 38 pounds.

Source: Agriculture Canada.

Imported United States Apples (Red Delicious): Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Toronto; Selected Data by Month, 1973 and 1974

Month of Shipment	1973					1974				
	<u>Source</u>	<u>Cost f.o.b.</u>	<u>Cost of Freight</u>	<u>Duty Paid</u>	<u>Total Landed Cost</u>	<u>Source</u>	<u>Cost f.o.b.</u>	<u>Cost of Freight</u>	<u>Duty Paid</u>	<u>Total Landed Cost</u>
					- cents per pound -					
June	Wash.	21.0	3.5	-	24.5	Calif.	19.0	4.1	-	23.1
September	N.J.	19.4	2.6	-	22.0	Wash.	20.3	4.0	-	24.3
	Calif.	19.3	2.6	-	21.9	"	15.2	4.1	-	19.3
October	Calif.	12.3	3.7	-	15.9	Wash.	14.3	4.2	-	18.6
	-	-	-	-	-	"	13.8	4.3	-	18.1
November	Calif.	12.1	3.6	-	15.7	-	-	-	-	-

Source: Tariff Board survey.



Appendix Table 15b

Imported United States Apples (Red Delicious): Total Landed Cost;  
Cost f.o.b.; Freight,  
Brokerage and Other  
Costs; Cost of Duty;  
Vancouver; Selected  
Data by Month, 1974

Vancouver					
<u>Month of Shipment</u>	<u>Source</u>	<u>Cost f.o.b.</u>	<u>Cost of Freight</u>	<u>Duty Paid</u>	<u>Total Landed Cost</u>
- cents per pound -					
May	Wash.	11.0	1.9	-	12.9
	"	12.2	2.0	-	14.2
	"	15.7	2.3	-	18.0
June	Wash.	17.4	2.7	-	20.1
	"	18.6	2.7	-	21.3
	"	19.2	2.8	-	22.0
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October	Calif.	12.6	2.1	-	14.7

Source: Tariff Board survey.

Apples: Production, Farm Value and Farm Value per Pound,  
United States, by States, 1966-1974

	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
- Production, million pounds -						
Washington		1,200	1,390	1,860	1,806	1,564
New York		925	770	720	839	826
Michigan		700	730	470	670	643
Pennsylvania		505	400	500	480	471
Virginia		480	420	400	378	420
California		400	530	490	440	465
West Virginia		250	215	225	210	225
North Carolina		185	245	210	295	234
Oregon		125	105	167	165	141
Other States		<u>1,311</u>	<u>1,065</u>	<u>1,183</u>	<u>1,151</u>	<u>1,177</u>
Total	5,894	6,081	5,870	6,225	6,484	6,165
- Farm Value, \$'000 -						
Washington		74,400	114,119	156,240	167,958	128,179
New York		33,393	44,429	69,840	64,897	53,140
Michigan		24,990	31,390	43,710	41,540	35,408
Pennsylvania		19,695	21,680	43,000	39,840	31,054
Virginia		19,056	23,940	33,600	31,786	27,095
California		15,320	25,175	32,830	31,240	26,141
West Virginia		12,475	12,105	20,025	19,740	16,086
North Carolina		7,844	11,197	13,440	18,290	12,693
Oregon		6,350	6,069	10,855	10,230	8,376
Other States		<u>85,598</u>	<u>87,566</u>	<u>122,183</u>	<u>120,754</u>	<u>104,025</u>
Total	288,449	299,121	377,670	545,723	546,275	442,197
- Farm Value, ¢ per lb. -						
Washington		6.2	8.2	8.4	9.3	8.2
New York		3.6	5.8	9.7	7.3	6.4
Michigan		3.6	4.3	9.3	6.2	5.5
Pennsylvania		3.9	5.4	8.6	8.3	6.6
Virginia		4.0	5.7	8.4	8.4	6.5
California		3.8	4.8	6.7	7.1	5.6
West Virginia		5.0	5.6	8.9	9.4	7.1
North Carolina		4.2	4.6	6.4	6.2	5.4
Oregon		5.1	5.8	6.5	6.2	6.0
Other States		6.5	8.2	10.3	10.5	8.8
Total	4.9	4.9	6.4	8.8	8.4	7.2

Source: U.S. Department of Agriculture.

Apples: Fresh Market Production, Farm Value per Pound,  
United States, by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, million pounds -					
Washington	932	1,095	1,405	1,366	1,199
New York	353	290	300	300	311
Michigan	280	235	160	240	229
California	112	150	108	120	123
Virginia	196	186	148	160	173
Pennsylvania	185	170	187	168	178
North Carolina	155	175	135	183	162
West Virginia	122	99	94	97	103
Other States	<u>1,147</u>	<u>945</u>	<u>979</u>	<u>1,016</u>	<u>1,022</u>
Total	3,482	3,345	3,515	3,650	3,498
- Farm Value, ¢ per lb. -					
Washington	7.2	9.4	9.4	11.1	9.3
New York	6.3	10.4	14.0	12.0	10.7
Michigan	5.8	7.1	11.0	9.5	8.4
California	6.8	8.6	11.1	11.2	9.4
Virginia	6.7	9.0	12.4	12.6	10.2
Pennsylvania	7.1	8.4	12.0	12.8	10.1
North Carolina	4.6	5.3	7.0	7.2	6.0
West Virginia	8.0	8.5	12.6	14.0	10.8
Other States	..	..	..	..	..
Total	7.0	8.9	10.7	11.2	9.5

Source: U.S. Department of Agriculture.

Apples: Processing Market Production, Farm Value per Pound,  
United States, by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, million pounds -					
New York	572	480	420	589	515
Michigan	420	495	310	430	414
Pennsylvania	320	230	313	312	294
Virginia	284	234	252	218	247
California	288	380	382	320	343
Washington	268	296	455	440	365
West Virginia	128	116	131	113	122
Other States	319	295	446	412	368
Total	<u>2,599</u>	<u>2,525</u>	<u>2,710</u>	<u>2,835</u>	<u>2,667</u>
- Farm Value, ¢ per lb. -					
New York	2.0	3.0	6.7	4.9	4.2
Michigan	2.1	3.0	8.5	4.3	4.5
Pennsylvania	2.1	3.2	6.7	5.8	4.5
Virginia	2.1	3.1	6.1	5.3	4.2
California	2.7	3.2	5.5	5.5	4.2
Washington	2.7	3.9	5.3	3.8	3.9
West Virginia	2.1	3.2	6.3	5.5	4.3
Other States	..	..	..	..	..
Total	2.2	3.1	6.3	4.8	4.1

Source: U.S. Department of Agriculture.





APRICOTSTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing.....	45
Production and Farm Value .....	45
Supply and Disposition .....	46
Imports .....	50
Exports .....	50
Prices .....	50
Canada-United States Comparisons .....	52
Tariff Considerations .....	53
Conclusions .....	55
Recommendations .....	56
Appendix Tables .....	57



## APRICOTS

The apricot (Prunus armeniaca) is, like the plum and peach, a stone fruit and is cultivated generally in temperate regions. It is used fresh for desserts and can be preserved by canning or drying. Apricot trees are large and spreading and have white flowers when in full bloom. The fruit is nearly smooth and its shape, depending on the variety, ranges from round to a somewhat flattened oblong. The flesh is yellow to yellowish-orange.

Once considered to have been native to the Caucasus and Armenia, the apricot is now believed to have originated in China.

In Canada, apricots are a relatively minor crop. In 1974, they had a farm value of approximately \$940,000. Total per capita consumption of apricots has declined in recent years and now averages about 0.8 pound compared with 1.2 pounds in the early 1960s.

## GROWING, HARVESTING AND MARKETING

The apricot sets fruit when its blossoms have been self-pollinated; propagation is achieved by budding on peach or apricot root stocks. The peach, plum and apricot can be readily intergrafted. The tree grows best in well-drained, loamy soils. Most varieties of apricots will withstand winter as well as peaches, but the blossom buds - opening earlier than those of the peach - are frequently killed by late frosts. This limits the growing area in Canada. The trees are quite drought-resistant and under favourable growing conditions may live up to 100 years or longer.

Apricots are harvested by hand from about mid July to mid August. The bulk of the crop, about 65 per cent during 1971-74, goes to the fresh market.

## PRODUCTION AND FARM VALUE

Commercial production occurs primarily in B.C.'s Okanagan Valley and it is this area for which production and farm value data are available. A small, but increasing quantity is grown in south-western Ontario. However, the output is apparently sold privately (e.g., roadside sales) and is not recorded in Canada's production and sales data. A recent study showed Ontario's commercial production to be about 70 to 100 acres.

During 1971-74, production in British Columbia remained quite stable, averaging 6.7 million pounds annually (see Table 1). In 1961-65, the average was 10.6 million pounds and, in 1966-70, 7.1 million pounds. This decline has been offset somewhat by sharply increased farm values per pound (from 4.6 cents to 9.9 cents) which has resulted in a 35 per cent increase in total apricot receipts. Farm values rose from \$487,000 in 1961-65 to \$658,000 in 1971-74. Receipts reached \$937,000 in 1974.

The average farm value during 1971-74 for apricots sold for fresh consumption was \$473,000 or 11.0 cents per pound. On the other hand, fruit for processing brought \$185,000 or 7.8 cents per pound (see Table 4).

Table 1: Apricots: Production, Farm Value and Farm Value per Pound, British Columbia, 1961-1974

<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>	<u>% Change 1961-65 to 1971-74</u>
- Production, '000 lb. -							
10,627	7,086	6,630	6,288	7,425	6,360	6,676	- 37.2
- Farm Value, \$'000 -							
487	385	443	496	756	937	658	+ 35.1
- Farm Value, ¢ per lb. -							
4.6	5.4	6.7	7.9	10.2	14.7	9.9	+115.2

Source: Statistics Canada and the B.C. Department of Agriculture.

#### SUPPLY AND DISPOSITION

The total supply of apricots, including imports, declined by almost 24 per cent between 1961-65 and 1971-74 from 23.4 million pounds to 17.9 million pounds (see Table 2). Both domestic production and imports declined - production dropped 37 per cent and imports 12 per cent. As a result, imports increased their share of total supply from 54.7 per cent in 1961-65 to 62.7 per cent in 1971-74. Exports of fresh apricots decreased drastically. In 1971-74, they averaged 101,000 pounds, or 82 per cent below the 1961-65 average of 555,000 pounds.

The 12 per cent drop in total imports from 12.8 million pounds in 1961-65 to 11.2 million pounds in 1971-74 was led by a 49 per cent decline in fresh imports from 3.8 million pounds to 1.9 million pounds and a 10 per cent drop in dried imports, in fresh equivalent weight. However, between the same periods, imports of canned apricots rose by 28 per cent from a fresh equivalent of 3.3 million pounds to 4.2 million pounds.

The downward trend in total supply is reflected in a decline in domestic disappearance which averaged 17.8 million pounds in 1971-74. This was a drop of about 22 per cent from the 22.9 million pounds consumed annually during 1961-65.

Table 2: Apricots: Supply and Disposition, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
				- '000 lb. -				
<u>Total Production</u>	10,627	7,086	6,630	6,288	7,425	6,360	6,676	-37.2
<u>Total Imports</u>	12,808	11,990	12,088	11,442	11,853	9,559	11,235	-12.3
Fresh	3,804	3,349	3,000	1,367	2,255	1,106	1,932	-49.2
Processed (canned) (a)	3,317	4,091	5,578	4,710	4,192	2,441	4,230	+27.5
Processed (dried) (b)	5,687	4,550	3,510	5,365	5,406	6,012	5,073	-10.8
<u>Total Supply Available</u>	23,435	19,076	18,718	17,730	19,278	15,919	17,911	-23.6
Available for processing or imported processed	15,373	13,291	13,048	12,435	11,717	11,345	12,136	-21.1
From domestic production	4,105	2,540	2,630	2,097	1,753	2,719	2,300	-44.0
Imported processed	9,004	8,641	9,088	10,075 (c)	9,598	8,453 (c)	9,303	+ 3.3
Imported fresh	2,264	2,110	1,330	263	366	173	533	-76.5
Available for fresh market	8,062	5,785	5,670	5,295	7,561	4,574	5,775	-28.4
From domestic production	6,522	4,546	4,000	4,191 (c)	5,672	3,641 (c)	4,376	-32.9
Imported	1,540	1,239	1,670	1,104	1,889	933	1,399	- 9.2

Table 2: Apricots: Supply and Disposition, Canada, 1961-1974 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Exports	555	148	-	189	179	34	101	-81.8
Fresh	555	148	-	189	179	34	101	-81.8
Total Domestic Disappearance	22,880	18,928	18,718	17,541	19,099	15,885	17,810	-22.2
Consumed in processed form	15,373	13,291	13,048	12,435	11,717	11,345	12,136	-21.1
From domestic production	4,105	2,540	2,630	2,097	1,753	2,719	2,300	-44.0
Imported	11,268	10,751	10,418	10,338	9,964	8,626	9,836	-12.7
Fresh market consumption	7,507	5,637	5,670	5,106	7,382	4,540	5,674	-24.4
From domestic production	5,967	4,398	4,000	4,002 (c)	5,493	3,607 (c)	4,275	-28.4
Imported	1,540	1,239	1,670	1,104	1,889	933	1,399	- 9.2

(a) Converted to fresh equivalent on the basis of 62 lb. fresh per 1 lb. canned product.

(b) Converted to fresh equivalent on the basis of 6 lb. fresh per 1 lb. dried product.

(c) Tariff Board estimate.

Source: Derived from Statistics Canada and Agriculture Canada data.



Processed consumption, which was 15.4 million pounds or 67 per cent of total apricot consumption in 1961-65, was down to 12.1 million pounds in 1971-74. However, inasmuch as fresh consumption declined even more, processed products actually increased their share of total consumption marginally to 68 per cent.

The apricot processing industry increased its acquirements of domestic apricots, as a share of the total quantity processed, at the expense of fresh imports. In 1961-65, acquirements of domestic fresh apricots for processing were 65 per cent of the total amount processed in Canada and imports 35 per cent. During 1971-74, the corresponding figures were 81 per cent and 19 per cent. However, in absolute terms, both the domestic and imported product declined with Canadian purchases down from 4.1 to 2.3 million pounds (-44 per cent) and imports from 2.3 million to 533,000 pounds (-76.5 per cent).

Fresh market consumption declined from about 7.5 million pounds to 5.7 million pounds between 1961-65 and 1971-74. Although the volume of domestic output for the fresh market and fresh market imports both declined, imports increased their share of total fresh consumption to 25 per cent from some 21 per cent.

Table 3: Apricots: Fresh Production, Imports and Consumption, Selected Averages, 1961-1974

	<u>1961-65</u>	<u>1966-70</u>	<u>1971-74</u>
	- '000 lb. -		
<u>Production</u>			
On-season (a)	5,887	4,391	4,275
Off-season (b)	80	7	1
Total	<u>5,967</u>	<u>4,398</u>	<u>4,276</u>
<u>Imports</u>			
On-season (a)	668	618	400
Off-season (b)	871	621	999
Total	<u>1,540</u>	<u>1,239</u>	<u>1,399</u>
<u>Consumption</u>			
On-season (a)	6,555	5,009	4,675
Off-season (b)	951	628	1,000
Total	<u>7,507</u>	<u>5,637</u>	<u>5,675</u>
<u>Imports as % of Consumption</u>			
On-season (a)	10.2	12.3	8.6
Off-season (b)	91.6	98.9	99.9
Total	20.5	22.0	24.7

(a) July and August marketing season.

(b) January-June, September-December.

Source: Derived from Statistics Canada and Agriculture Canada data.

Canadian-grown apricots accounted for most of the fresh consumption during the domestic marketing season of July and August. Furthermore, domestic growers appeared to be increasing their share of the in-season fresh market, particularly in recent years. As shown in Table 3, imports supplied, on average, 12 per cent of demand during 1966-70 compared with 8.6 per cent in 1971-74. During the off-season, domestic demand is totally met by imports.

### IMPORTS

In most years, the United States, in particular, California and Washington, is the sole source of fresh apricot imports. During 1971-75, it supplied an annual average of 1.9 million pounds. Greece, in 1971, and New Zealand, in 1973, shipped minor quantities (see Appendix Tables 5 and 8).

Imports occur almost entirely during the period June to August, with July being the peak month (see Appendix Table 7).

British Columbia, which imported about 883,000 pounds per annum during 1971-75, accounted for 46 per cent of total annual average imports (see Appendix Table 6). However, the yearly totals have fluctuated markedly from approximately 2 million pounds in 1971 to 282,000 pounds in 1974. There have been no recorded imports of fresh apricots into Prince Edward Island and Newfoundland since at least 1966 and only minor quantities into other areas of the Atlantic region.

### EXPORTS

From 1966 to 1970, exports occurred only in 1966 and consisted of 738,000 pounds to the United Kingdom. Thereafter exports were recorded in 1972, 1973, and 1974, all to the United States (see Appendix Table 9); the volumes involved were less than 200 thousand pounds or 3 per cent of production per year. There were no exports in 1975.

### PRICES

The average annual farm value per pound of apricots grown in British Columbia (see Table 1) has risen markedly in recent years, from 4.6 cents in 1961-65 to 9.9 cents in 1971-74 or an increase of about 115 per cent. An all time high of 14.7 cents was reached in 1974.

Prices in British Columbia for apricots sold for processing and to the fresh market are given in Table 4. For 1971-74, apricots sold for processing averaged 7.8 cents per pound while those for the fresh market were about 41 per cent higher at 11.0 cents per pound.

Table 4: Apricots: Prices, Apricots Sold for Processing and Apricots Sold to the Fresh Market, British Columbia, 1966-1974

	<u>Total Production</u>		<u>Sold for Processing</u>		<u>Sold to Fresh Market</u>	
	'000 lb.	¢/lb.	'000 lb.	¢/lb.	'000 lb.	¢/lb.
Average						
1968-70	4,969	7.0	1,836	6.1	3,133	7.6
1971	6,630	6.7	2,522	5.4	4,108	7.5
1972	6,288	7.9	2,337	5.2	3,951	9.5
1973	7,425	10.2	1,709	6.6	5,716	11.2
1974	6,360	14.7	2,991	12.4	3,369	16.8
Average						
1971-74	6,676	9.9	2,390	7.8	4,286	11.0

Source: B.C. Department of Agriculture.

To compare the price of fresh market imports with that of the domestic product, the Board examined 1974 weekly wholesale-to-retail prices on the Montreal, Toronto, Winnipeg, and Vancouver markets. These prices are summarized in Table 5 with further details in Appendix Table 10. Quotations for imports were available on a limited basis for June to August. In 1974, imports appeared to be higher in price than domestic apricots although a direct comparison was available only for the Winnipeg market. No quotations were available for imports in August, the peak month for domestic sales.

Data were not available on the landed cost of imported apricots.

Table 5: Average Wholesale-to-Retail Selling Prices for Domestic and Imported Apricots in Montreal, Toronto, Winnipeg, and Vancouver, 1974

	<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>
- ¢ per lb. -								
June	-	56.3	-	58.2	-	44.8	-	48.5
July	-	54.2	-	-	38.9	45.2	39.3	-
Aug.	39.8	-	40.5	-	38.5	-	39.8	-
Sept.	-	-	-	-	39.0	-	-	-

Source: Appendix Table 10.

CANADA-UNITED STATES COMPARISONS

U.S. production for 1971-74 averaged 264.1 million pounds annually, a decrease of about 26 per cent over the 1966-70 average (see Appendix Table 11a). Canadian producers had an average output of 6.7 million pounds during 1971-74, or about 2.5 per cent of U.S. production. Canadian output also declined by 6 per cent from the average level for 1966-70, but less so than production in the United States.

California's average output of 256.5 million pounds during 1971-74 represented 97 per cent of total U.S. production or 38 times as much as was produced, on average, in British Columbia. The threat of early frosts, a restricting factor in expanding production in Canada, is not a consideration in California.

During this period, total farm value of U.S. apricots averaged \$20.7 million, a decrease of 18.5 per cent over the 1966-70 average. Between the same periods, total Canadian farm value increased by 71 per cent to \$658,000 from \$385,000.

Per pound farm values during 1966-70 were higher in the United States (7.1 cents) than in Canada (5.4 cents). However, in 1971-74, rapidly rising B.C. returns reversed this situation and domestic farm values per pound were 9.9 cents or 27 per cent above the U.S. value of 7.8 cents.

About 90 per cent of U.S. production during 1971-74 went to processors at an average farm value of 7.5 cents per pound. In Canada, where 34 per cent of domestic output was processed, the average unit farm value of processing apricots was 7.8 cents. The two-thirds of the Canadian crop sold on the fresh market brought an average farm return of 11 cents per pound. U.S. growers received, on average, 11.4 cents for fresh market sales, although only some 10 per cent of their crop went to that market (see Appendix Tables 11a, 11b, and 11c). Farm values for British Columbia and the United States are summarized in Table 6.

Table 6: Apricots: Farm Values, Fresh and Processing Markets, British Columbia and United States, 1971-1974

	<u>Total Production</u>		<u>Processing</u>		<u>Fresh Market</u>	
	B.C.	U.S.	B.C.	U.S.	B.C.	U.S.
	- ¢ per lb. -					
1971	6.7	4.7	5.4	4.5	7.5	6.2
1972	7.9	6.9	5.2	6.8	9.5	9.0
1973	10.2	8.2	6.6	7.8	11.2	13.4
1974	14.7	13.5	12.4	12.6	16.8	22.4
Average 1971-74	9.9	7.8	7.8	7.5	11.0	11.4

TARIFF CONSIDERATIONS

Fresh apricots entering Canada, for fresh market consumption or for processing, are currently dutiable under tariff item 9201-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Apricots ..... per pound	Free	1½ cts. or Free	1½ cts. or Free

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty is not in effect.

Table 7: Apricots, Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> <sup>(a)</sup>
1930, May 2 Statutory Change	Free <sup>(b)</sup>	15 p.c.	20 p.c. <sup>(c)</sup>
1939, January 1 United States Trade Agreement		10 p.c. <sup>(d)</sup>	
1948, January 1 GATT		1 ct. <sup>(e)</sup> (10 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	1 ct. (10 weeks) or 10 p.c.	1 ct. (10 weeks) or 10 p.c.
1959, April 10 Statutory Change	Free	1½ cts. (10 weeks) or 10 p.c.	1½ cts. (10 weeks) or 10 p.c.
1968, January 1 Statutory Change <sup>(f)</sup>	Free	1½ cts. (10 weeks) or Free	1½ cts. (10 weeks) or Free

(a) Applicable to imports from the United States until Dec. 31, 1935.

(b) Prior to August 2, 1931, apricots from Australia were dutiable at a rate of 25 cts. per 100 pounds (Australian Trade Agreement Act, 1925). Under a new trade agreement with Australia, in effect from Aug. 2, 1931, Free entry was bound for apricots from that country for the months of Jan. and Feb., together with the maintenance of the existing margin of preference; B.P. treatment was bound for the balance of the year.

(c) Not less than 1 ct., June 15-August 15.

(d) For the months March-December; 15 p.c. rate retained for Jan. and Feb. (see footnote (b)).

(e) Not applied until 1950.

(f) As a result of the Kennedy Round (GATT).

Source: Canadian Customs Tariff.

This item is bound under GATT and has existed in its present form since 1968. The reductions since 1930 in the rates of duties on apricots under the Most-Favoured-Nation and General Tariff are shown in Table 7, which includes only those changes, by Statute or Trade Agreement, which affected applicable rates of duties. In the table, the rates shown are per cent ad valorem or cents per pound; when a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

The Australian Trade Agreement of 1931 was superseded by a new agreement effective June 30, 1960. The new agreement makes no mention of fresh apricots.

When imported into the United States from Canada, fresh apricots are classified under item 146.20 at the rate of 0.2 cent per pound.

The Canadian Horticultural Council proposed that the existing seasonal duty of  $1\frac{1}{2}$  cents per pound be doubled to 3 cents per pound, with an ad valorem minimum of 20 per cent, and that the existing maximum period of application of the seasonal duty remain at 10 weeks. This proposal was supported by the Canadian Fruit Wholesalers' Association. The California Grape & Tree Fruit League proposed that there be no change in current tariff treatment.

The Canadian Food Processors Association proposed a separate tariff item for fresh apricots imported for processing in Canada, "Apricots for manufacture," with a rate of 10 per cent ad valorem, applicable, also, for a maximum of 10 weeks.

As shown in Appendix Table 13, increases in recent years in the unit value of apricot imports has had the effect of eroding the degree of protection afforded by the specific duty. In terms of the ad valorem equivalent of the  $1\frac{1}{2}$  cents duty, the level of protection, based on the average value of imports for the fresh and processing markets, has declined from an average 19.2 per cent in 1966-70 to 14.9 per cent during 1971-75. In 1975 the equivalent would have been 7.6 per cent.

The above f.o.b. prices are an average of the prices of fresh imports for both the fresh and processing markets. The explanation for the sharp increase commencing in 1972 can be found in the data on supply and disposition (see Table 2) where it is shown that fresh imports for processing dropped substantially after 1971 while imports for fresh consumption remained relatively constant. At the same time, it has been noted that average farm values in the United States are substantially higher for fresh market apricots than for the processing product; hence the higher unit import values resulting from the preponderance of imports for fresh consumption.

Between 1972 and 1974, almost all fresh imports went to the fresh market and, therefore, the import values in Appendix Table 13 accurately reflect the cost of such imports. Thus, on the basis of an average import price of 19.7 cents in 1975, the 3-cent specific rate proposed by the Council, would have had an ad valorem equivalent of 15.2 per cent in 1975; at 2 cents it would have been 20 per cent.



Assuming that processing apricots would have entered in 1974 at an average price of 12 cents per pound, as suggested by average unit farm values in the United States in Appendix Table 11, the ad valorem equivalent of the 1.5 cents duty, on apricots for processing, would have been about 12.5 per cent. At the 3-cent rate proposed by the Council, the ad valorem equivalent would have been 25 per cent. The 20 per cent ad valorem minimum duty advocated by the Council would have been equal to a specific duty of nearly 4.0 cents with respect to fresh market apricots, and 2.4 cents with respect to apricots for processing. It is evident that a level of duty considered sufficient to afford an acceptable degree of protection to growers for the fresh market would likely impose an unduly high burden on importers of fresh apricots for processing.

With the exception of 1969 when there was a crop failure, the seasonal duty has been invoked each year since 1966 in the central and western regions. When applied it has been for the maximum 10-week period, except in 1971 when, in the central tariff region, it was applied for only 47 days. The application of the seasonal duty in Ontario would indicate that commercial production does take place in that province although none is recorded.

Data in Appendix Table 3 show that, in most years, the marketing of the Canadian crop occurs during July and August, a period of nine weeks. The existing 10-week maximum dutiable period would appear, therefore, to be sufficient. No proposal for an extension of the dutiable period was received by the Board.

### CONCLUSIONS

Consumption of apricots in Canada in both fresh and processed form has been declining. This has led to a drop in both domestic production and imports, although imports have decreased at a slower rate and, consequently, increased their share of total domestic consumption.

The decline in production has reduced domestic supplies for both the fresh market and for processing, but more so the latter. In general, the return to the grower is greater for the fresh market and hence the proportion of domestic production consumed fresh has increased and the proportion processed has fallen off.

Of greater significance, however, has been the declining level of import penetration during the Canadian marketing season, July and August, as the domestic product appears to be price competitive with the imported product in season. Moreover, although domestic output of processing apricots has declined, imports of processing apricots have also decreased and at a faster rate although the volume of processed imports has increased slightly.

Accordingly, the Board concludes that production of apricots has declined in Canada due largely to diminishing domestic consumption. The drop in exports and the increase in processed imports appear to be primarily the result of lower domestic supplies of the fresh product, and not because of significant realignment in

costs of production between Canadian growers and their foreign competitors. However, the Board feels that some restoration of the erosion of the level of protection in recent years is warranted. It is, therefore, recommended that a minimum seasonal ad valorem rate of  $12\frac{1}{2}$  per cent be introduced for fresh market imports under both the Most-Favoured-Nation and General Tariff, and a specific duty of  $2\frac{1}{2}$  cents per pound. This duty would be applicable for a maximum period of 10 weeks, administered regionally.

For fresh apricots for processing, in the light of lower f.o.b. values, the Board recommends a M.F.N. and Gen. rate of  $1\frac{1}{2}$  cents per pound, but not less than  $12\frac{1}{2}$  per cent ad valorem. The B.P. rate would be Free. This duty is recommended to be in effect year round.

#### RECOMMENDATIONS

The Board recommends that tariff item 9201-1 be deleted from Schedule "A" of the Customs Tariff and the following tariff items be inserted:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Apricots, n.o.p. ....			
..... per pound	Free	$2\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c., or Free	$2\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Apricots, for processing			
..... per pound	Free	$1\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c.	$1\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c.

Appendix Table 1

Apricots: Number of Trees, Acres and Farms Reporting, by Province and Region, 1961 and 1971

	1961				1971			
	No. of Farms Reporting	Number of Trees			No. of Farms Reporting	Number of Trees		
		Total	Under 5 yrs.	Over 5 yrs.		Total	Under 5 yrs.	Over 5 yrs. Total Acres
<u>Atlantic Region</u>								
Nfld.	15	62	14	48	10	339	72	267 3
P.E.I.	-	-	-	-	-	-	-	- *
N.S.	2	6	6	-	1	36	36	-
N.B.	12	55	7	48	8	301	36	265 3
	1	1	1	-	1	2	-	2 *
<u>Central Region</u>								
Que.	837	18,987	7,075	11,912	630	24,926	19,496	5,430 203
Ont.	12	193	178	15	5	28	28	- 1
	825	18,794	6,897	11,897	625	24,898	19,468	5,430 202
<u>Western Region</u>								
Man.	2,277	143,407	19,683	123,724	1,272	62,583	12,310	50,273 776
Sask.	25	443	133	310	7	89	81	8 1
Alta.	25	387	336	51	7	30	6	24 1
B.C.	15	348	130	218	15	548	108	440 6
	2,212	142,229	19,084	123,145	1,243	61,916	12,115	49,801 768
Canada (a)	3,129	162,456	26,772	135,684	1,912	87,848	31,878	55,970 982

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.



Appendix Table 3

Apricots: Estimated Monthly Distribution of Fresh Shipments<sup>(a)</sup>  
to Principal Markets, 1966-1974

	<u>Average 1966-70</u>	<u>Average 1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
- thousand pounds -						
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	2,384	1,275	960	628	2,247	1,266
Aug.	2,007	3,000	3,040	3,374	3,246	2,338
Sept.	7	1	-	-	-	3
Oct.	-	-	-	-	-	-
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
	<u>4,398</u>	<u>4,275</u>	<u>4,000</u>	<u>4,002</u>	<u>5,493</u>	<u>3,607</u>

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 4

Apricots: Estimated Monthly Distribution of Fresh  
Market Consumption, 1961-1974

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>Average 1971-74</u>			
	<u>Imports as % of Con- sumption</u>	<u>Imports as % of Con- sumption</u>	<u>From Domestic Produc- tion</u>	<u>From Imports<sup>(a)</sup></u>	<u>Total Consump- tion</u>	<u>Imports as % of Con- sumption</u>
- per cent -		- thousand pounds -			per cent	
Jan.	100.0	-	-	-	-	-
Feb.	-	-	-	*	*	100.0
Mar.	-	-	-	-	-	-
Apr.	-	-	-	3	3	100.0
May	-	100.0	-	62	62	100.0
June	100.0	100.0	-	927	927	100.0
July	18.3	19.9	1,275	352	1,627	21.6
Aug.	3.0	1.2	3,000	48	3,048	1.6
Sept.	8.0	-	1	-	1	-
Oct.	-	100.0	-	8	8	100.0
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
Total	20.5	22.0	<u>4,275</u>	<u>1,399</u>	<u>5,674</u>	24.7

(a) Discrepancy caused by imports recording procedure.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 5

Apricots: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Greece</u>	<u>New Zealand</u>	<u>Chile</u>	<u>Total</u>
- thousand pounds -					
1966	3,968	-	-	-	3,968
1967	1,792	-	-	-	1,792
1968	1,627	-	-	-	1,627
1969	6,185	-	-	-	6,185
1970	3,172	-	-	-	3,172
Average 1966-70	3,349	-	-	-	3,349
1971	2,982	18	-	-	3,000
1972	1,367	-	-	-	1,367
1973	2,240	-	15	-	2,255
1974	1,106	-	*	*	1,106
1975	1,807	-	-	-	1,807
Average 1971-75	1,900	4	3	*	1,907

Source: Statistics Canada.

Appendix Table 6

Apricots: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -						
Atlantic Region	2	1	*	1	7	12
Nfld.	-	-	-	-	-	-
P.E.I.	-	-	-	-	-	-
N.S.	1	-	-	1	*	2
N.B.	1	1	*	*	7	10
Central Region	1,157	701	696	779	512	692
Que.	168	282	360	232	222	247
Ont.	989	419	336	547	290	445
Western Region	2,190	2,298	671	1,475	587	1,101
Man.	62	102	119	113	63	79
Sask.	45	49	57	53	51	128
Alta.	133	155	132	198	191	225
B.C.	1,950	1,992	363	1,111	282	669
Canada	3,349	3,000	1,367	2,255	1,106	1,807

Source: Statistics Canada.



Appendix Table 7

Apricots: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	-	-	-	-	-	-	-	-
Feb.	-	-	3	0.2	-	15	-	-
Mar.	-	-	2	0.1	-	-	1	10
Apr.	1	*	6	0.3	-	30	-	2
May	2	0.1	4	0.2	17	*	1	1
June	471	14.1	629	33.0	746	869	514	487
July	1,606	48.0	827	43.4	592	586	382	900
Aug.	1,267	37.8	423	22.2	12	703	204	400
Sept.	2	0.1	10	0.5	-	45	1	7
Oct.	-	-	*	*	-	-	-	*
Nov.	-	-	2	0.1	-	7	3	*
Dec.	-	-	*	*	-	-	-	*
Total	3,349	100.0	1,907	100.0	1,367	2,255	1,106	1,807

Source: Statistics Canada.

Appendix Table 8

Apricots: Percentage Distribution of Imports to Fresh Market  
from United States, by State of Origin, by Region,  
1972-1974

	<u>California</u>	<u>Washington</u>	<u>New Jersey</u>	<u>Total</u>
- per cent -				
<u>1972</u>				
Atlantic Region	-	-	-	-
Central Region	86.7	13.3	-	100.0
Western Region	82.3	17.7	-	100.0
Canada	84.8	15.2	-	100.0
<u>1973</u>				
Atlantic Region	100.0	-	-	100.0
Central Region	89.7	9.2	1.1	100.0
Western Region	70.9	29.1	-	100.0
Canada	81.9	17.4	0.7	100.0
<u>1974</u>				
Atlantic Region	-	-	-	-
Central Region	81.9	18.1	-	100.0
Western Region	79.0	21.0	-	100.0
Canada	80.7	19.3	-	100.0

Source: Agriculture Canada.

Apricots: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>United Kingdom</u>	<u>Total</u>
	- thousand pounds -		
1966	-	738	738
1967	-	-	-
1968	-	-	-
1969	-	-	-
1970	-	-	-
Average 1966-70	-	148	148
1971	-	-	-
1972	189	-	189
1973	179	-	179
1974	34	-	34
1975	-	-	-
Average 1971-75	80	-	80

Source: Agriculture Canada.

Apricots: Weekly Wholesale to Retail Prices at Montreal, Toronto, Winnipeg and Vancouver, 1974

Week Ending	Montreal		Toronto		Winnipeg		Vancouver	
	Cal.	B.C.	Cal.	B.C.	Cal.	B.C.	Cal.	B.C.
	24-lb. lug	15-lb. carton	24-lb. lug	15-lb. carton	24-lb. carton	15-lb. carton	24-lb. crate	15-lb. carton
- cents per pound -								
June 7								
14	59.4		57.8				49.0	
21	57.5		58.9		46.9		46.6	
28	52.0		57.3		48.5		47.8	
July 5	46.9				39.1		50.5	
12					40.6			
19					47.5			
26	61.5				47.5			38.9
Aug. 2		42.5		40.9		38.9		39.7
9		39.9				38.7		39.7
16		38.3		40.9		39.2		39.7
23		38.3		40.9		37.9		40.0
30				39.2		37.9		
Sept. 6						38.7		
13						39.0		
						39.0		

Source: Agriculture Canada.

Appendix Table 11a

Apricots: Production, Farm Value and Farm Value per Pound,  
United States, by States, 1966-1974<sup>(a)</sup>

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production '000 lb. -						
California	288,000	252,000	304,000	182,000	256,500	
Utah	6,400	-	4,340	1,100	2,960	
Washington	<u>4,700</u>	<u>2,940</u>	<u>7,040</u>	<u>4,000</u>	<u>4,670</u>	
Total	358,462	299,100	254,940	315,380	187,100	264,130
- Farm Value \$'000 -						
California	13,291	17,388	24,776	24,388	19,961	
Utah	448	-	315	211	243	
Washington	<u>296</u>	<u>313</u>	<u>743</u>	<u>682</u>	<u>509</u>	
Total	25,409	14,035	17,701	25,834	25,281	20,713
- Farm Value ¢ per lb. -						
California	4.6	6.9	8.2	13.4	7.8	
Utah	7.0	-	7.3	19.2	8.2	
Washington	6.3	10.6	10.6	17.1	10.9	
Total	7.1	4.7	6.9	8.2	13.5	7.8

<sup>(a)</sup> Utilized production.

Source: U.S. Department of Agriculture.

Appendix Table 11b

Apricots: Fresh Market Production, Farm Value and Farm Value  
per Pound, United States, by States, 1971-1974(a)

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production '000 lb. -					
California	24,800	17,600	13,800	12,400	17,150
Utah	6,400 <sup>(b)</sup>	-	4,340 <sup>(b)</sup>	1,100 <sup>(b)</sup>	2,960 <sup>(b)</sup>
Washington	<u>4,040</u>	<u>2,500</u>	<u>5,600</u>	<u>3,400</u>	<u>3,885</u>
Total	35,240 <sup>(b)</sup>	20,100	23,740	16,900	23,995
- Farm Value \$'000 -					
California	1,463	1,505	2,139	2,902	2,002
Utah	448 <sup>(b)</sup>	-	315 <sup>(b)</sup>	211 <sup>(b)</sup>	244 <sup>(b)</sup>
Washington	<u>265</u>	<u>307</u>	<u>720</u>	<u>670</u>	<u>490</u>
Total	2,176 <sup>(b)</sup>	1,812	3,174	3,782	2,736
- Farm Value <sup>(c)</sup> ¢ per lb. -					
California	5.9	8.6	15.5	23.4	11.7
Utah	7.0 <sup>(b)</sup>	-	7.3 <sup>(b)</sup>	19.2 <sup>(b)</sup>	8.2 <sup>(b)</sup>
Washington	6.6	12.3	12.9	19.7	12.6
Total	6.2 <sup>(b)</sup>	9.0	13.4	22.4	11.4

(a) Utilized production.

(b) Includes some quantities for processing to avoid disclosure of individual questions.

(c) Includes apricots for dried.

Source: U.S. Department of Agriculture.

Appendix Table 11c

Apricots: Processing Market Production, Farm Value and  
Farm Value per Pound, United States, by  
States, 1971-1974(a)

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production '000 lb. -					
California	263,200	234,400	290,200	169,600	239,350
Utah	(b)	-	(b)	(b)	(b)
Washington	<u>60</u>	<u>440</u>	<u>1,440</u>	<u>600</u>	<u>785</u>
Total	263,860	234,840	291,640	170,200	240,135
- Farm Value \$'000 -					
California	11,828	15,883	22,637	21,486	17,959
Utah	(b)	-	(b)	(b)	(b)
Washington	<u>31</u>	<u>6</u>	<u>23</u>	<u>12</u>	<u>18</u>
Total	11,859	15,889	22,660	21,499	17,977
- Farm Value ¢ per lb. -					
California	4.5	6.8	7.8	12.7	7.5
Utah	(b)	-	(b)	(b)	(b)
Washington	4.8	1.4	1.6	2.0	2.3
Total	4.5	6.8	7.8	12.6	7.5

(a) Utilized production.

(b) Included with fresh market (confidential).

Source: U.S. Department of Agriculture.



Year <sup>(a)</sup>	Apricots: Dates of Application and Removal of the Seasonal Specific Duty, by Tariff Region, 1966-1975			Central Canada (b)			Western Canada (c)		
	Maritime Provinces		Days in Effect	Application		Days in Effect	Application		Days in Effect
	Application	Removal		Application	Removal		Application	Removal	
1966	-	-	-	July 14	Sept. 22	70	July 5	Sept. 13	70
1967	-	-	-	July 12	Sept. 20	70	July 12	Sept. 20	70
1968	-	-	-	July 11	Sept. 19	70	July 11	Sept. 19	70
1969	-	-	-	-	-	-	-	-	-
1970	-	-	-	July 17	Sept. 24	69	July 1	Sept. 9	70
1971	-	-	-	July 15	Aug. 31	47	July 15	Sept. 22	69
1972	-	-	-	July 25	Oct. 3	70	July 18	Sept. 26	70
1973	-	-	-	July 19	Sept. 27	70	July 10	Sept. 18	70
1974	-	-	-	July 10	Sept. 17	69	July 10	Sept. 17	69
1975	-	-	-	July 17	Sept. 24	69	July 17	Sept. 24	69

<sup>(a)</sup> Government fiscal year commencing April 1st; ending April 1st of following year.

<sup>(b)</sup> Includes Quebec and Ontario east of Thunder Bay, Ontario.

<sup>(c)</sup> Includes Thunder Bay and west thereof.

Source: National Revenue.

Apricots: Dutiable Imports and the Ad Valorem Equivalent  
of the M.F.N. Specific Duty, 1966-1975

	Imports			Price f.o.b. Dutiable ¢/lb.	M.F.N. Specific Duty ¢/lb.	Ad Valorem Equivalent of M.F.N. Specific Duty %
	Total '000 lb.	Non- Dutiable '000 lb.	%			
1966	3,968	-	-	7.7	1.5	19.5
1967	1,792	-	-	10.3	1.5	14.6
1968	1,627	1,343	82.6	9.0	1.5	16.7
1969	6,185	6,185	100.0	-	1.5	-
1970	3,172	1,627	51.3	4.7	1.5	31.9
Average 1966-70	3,349	1,831	54.7	7.8	1.5	19.2
1971	3,000	1,964	65.5	5.2	1.5	28.8
1972	1,367	1,353	99.0	33.1	1.5	4.5
1973	2,255	1,926	85.4	11.1	1.5	13.5
1974	1,106	875	79.1	19.2	1.5	7.8
1975	1,807	1,579	87.4	19.7	1.5	7.6
Average 1971-75	1,907	1,540	80.7	10.1	1.5	14.9

Source: Statistics Canada.

CHERRIESTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	71
Production, Supply and Disposition - Sweet and Sour Cherries .	72
Acreage, Production and Farm Value .....	73
Sour Cherries .....	73
Sweet Cherries .....	75
Supply and Disposition .....	76
Sour Cherries .....	76
Sweet Cherries .....	79
Imports .....	83
Exports .....	83
Prices .....	84
Sour Cherries .....	84
Sweet Cherries .....	84
Canada-United States Comparisons .....	86
Sour Cherries .....	86
Sweet Cherries .....	87
Tariff Considerations .....	87
Sour Cherries .....	87
Sweet Cherries .....	91
Conclusions .....	95
Sour Cherries .....	95
Sweet Cherries .....	95
Recommendations .....	96
Sour Cherries .....	96
Sweet Cherries .....	97
Appendix Tables .....	99



## CERRIES

The cherry is a tree fruit closely related to the plum. In Canada, two distinct types are cultivated, the sour or "tart" cherry (Prunus cerasus) and the sweet cherry (Prunus avium). These are grown mainly in Ontario and British Columbia. A hybrid ("Duke"), combining some characteristics of both sweet and sour cherries, is grown in North America but not significantly in Canada. Although wild cherries (Prunus padus) are indigenous to the temperate zone of North America, varieties now cultivated have been developed from cherries brought from Europe at the time of settlement.

In Canada, the cherry crop is of significant commercial importance, ranking fifth among domestic fruit crops in terms of 1971-74 farm values. Annual per capita consumption has remained constant in recent years. It averaged 2.6 pounds in 1961-65 and the same in 1971-74. In contrast to most other fruits and vegetables, per capita consumption has increased in fresh form and decreased in processed form.

As sweet and sour cherries differ considerably from the standpoint of marketing, intermediate processing forms and end-uses, the following report provides separate treatment and statistics for each. This is also necessary because the existing Customs Tariff specifies distinct tariff items and different rates for each type. However, the following study begins with a general description of growing, harvesting, and marketing characteristics and with an overview of production, supply and disposition as they relate to the total crop of both types of cherries.

### GROWING, HARVESTING AND MARKETING

The cultivated cherry is not adapted to tropical climates as it requires a dormant winter period to achieve uniform and vigorous spring growth. Cherries are thus grown where there are cold but not too severe winters. Sweet varieties can withstand temperatures of about -26°C and thrive best when summer temperatures are moderate. They also grow best in areas with low precipitation during the summer to prevent cracking in the nearly ripe fruit. This is less of a problem with sour varieties.

Cherry trees bloom quite early in spring, just after peaches but earlier than apples. Crops are often lost or damaged by spring frosts so trees are planted on the most frost-free sites, e.g., near large bodies of water.

As with most tree fruits, cherries are subject to attack by various diseases (brown rot, leaf spot) and insect pests (aphids, red mites, fruit flies). Birds like ripening cherries and may also cause severe production losses. Spraying with pesticides and insecticides is necessary in order to produce high yields and quality fruit.

The sour cherry is self-fruitful and may be planted in solid blocks of one variety. However, it requires insects for pollen transfer and honeybees are used. The sweet cherry is self-unfruitful and must be planted with other varieties. The blossoms of this type are receptive for only a short time, thus honeybees are moved into the orchard as soon as blossoming starts. The sour cherry tree has a productive life of up to 20 years and the sweet cherry up to 30 years.<sup>(1)</sup>

The harvesting period for cherries is short. Most of the domestic sweet cherry crop is harvested and marketed almost entirely in July. For some other cherries, August is the main harvesting month. In some U.S. areas, harvesting is almost fully mechanized through the use of "tree shakers." In Canada, however, cherries are primarily hand-picked usually with the help of mechanical aids.

The preferred conditions for storing cherries are a temperature of about 0°C and relative humidity of 85-90 per cent. For fresh sweet cherries, the limit for successful commercial cold storage is 10-14 days. Sour cherries are less suitable for storage and can only be kept for a few days. Both sweet and sour cherries are often semi-processed and held in storage for further processing at a later date. For example, a large proportion of domestic sweet cherry production is "brined"<sup>(2)</sup> and the bulk of sour cherries is frozen.

Because of different characteristics, sweet and sour cherries have quite separate end-uses. In Canada, sweet cherries are mainly sold for fresh market consumption. The sour cherry, because of its tartness, does not lend itself to fresh consumption and is primarily processed. Sweet cherries may also be brined for later manufacture (as maraschinos, candied fruit products, jams, glacé cherries and miscellaneous bakery or confectionery items), canned or used in wine-making. In contrast, most of the sour cherry crop is sold for processing and is frozen or canned for use mainly as pie filling. The small portion of sour cherry production sold on fresh markets is used by the consumer as pie filling and not for fresh table consumption. Some sour cherry varieties (e.g., "Montmorency") are also used in wine-making. Sour cherries may be canned for retail or institutional use, or frozen for subsequent re-processing by food manufacturers.

#### PRODUCTION, SUPPLY AND DISPOSITION - SWEET AND SOUR CHERRIES

Total cherry production in Canada fell slightly in recent years from 40.7 million pounds in 1961-65 to 37.2 million pounds in 1971-74, a drop of about 9 per cent (see Appendix Table 1). This decline resulted from a reduction in the output of sour cherries, as production of sweet cherries remained about the same. Virtually all domestic cherry production occurs in Ontario and British Columbia. Ontario produces both kinds while British Columbia essentially grows only sweet varieties.

(1) Transcript, Volume 8, p. 1022.

(2) In the brining process, sweet cherries are placed in sulphur dioxide and the colour is bleached.



While data compiled by Statistics Canada (as shown in Appendix Table 1) record cherry production only in Ontario and British Columbia, this crop is cultivated to some extent in all provinces. Supplementary census information on the number of trees or acres (see Appendix Table 2) indicates, however, that cherry production outside of Ontario and British Columbia is commercially insignificant.

During 1971-74, the annual average farm value of the domestic cherry crop was about \$6.9 million. This aggregate farm value rose by some 46 per cent between 1961-65 and 1971-74, primarily because of increasing grower prices. The average farm value was 18.6 cents per pound in 1971-74 compared with 11.7 cents per pound in 1961-65.

With respect to the supply and disposition of cherries, sweet and sour combined (see Appendix Table 3), the most significant development in recent years appears to have been the decline in domestic production and an increase in imports. Total imports, including fresh and the fresh equivalent weight of semi-processed and processed imports, rose from 15.3 million pounds in 1961-65 to 24.2 million pounds in 1971-74.<sup>(1)</sup> As a result, they accounted for 42 per cent of domestic disappearance in 1971-74 compared with 30 per cent in 1961-65. The growing importance of imports is most evident in the domestic fresh market. Imports comprised about 13 per cent of fresh market sales in 1961-65 compared with 33 per cent in 1971-74. However, fresh imports entered for processing have also risen, accounting in 1971-74 for 15 per cent of the demand for processing compared with less than 2 per cent in 1961-65.

Canadian exports of fresh and processed cherries (canned),<sup>(2)</sup> have fallen during the review period. While canned cherry exports tended to rise in recent years, exports of fresh cherries (reported to be sweet types only) dropped markedly.

Total domestic disappearance of both types of cherries has increased by some 13 per cent as is indicated by a comparison of 1961-65 and 1971-74 averages. As noted, per capita consumption, an annual average of 2.6 pounds in 1971-74, has remained unchanged in recent years.

#### Acreage, Production and Farm Value

##### Sour Cherries

As shown in Table 1, domestic production of sour cherries declined to an average of 17.0 million pounds in 1971-74 from 21.3 million pounds in 1961-65.

(1) Import totals exclude certain minor processed forms (e.g., glacé cherries, jams and fountain supplies).

(2) Exports of frozen cherries may occur but volumes involved are believed to be small.

Table 1: Cherries (Sour): Production, Farm Value and  
Farm Value per Pound, by  
Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Ontario	21,320	17,354	20,428	16,852	9,714	15,392	15,597	- 26.8
B.C.	(a)	(a)	1,472	1,256	1,398	1,520	1,412	..
Canada	21,320	17,354	21,900	18,108	11,112	16,912	17,008	- 20.2
- Farm Value, \$'000 -								
Ontario	1,730	2,305	2,656	1,747	2,128	3,382	2,478	+ 43.2
B.C.	(a)	(a)	209	186	328	374	274	..
Canada	1,730	2,305	2,865	1,933	2,456	3,756	2,752	+ 59.1
- Farm Value, ¢ per lb. -								
Ontario	8.1	13.3	13.0	10.4	21.9	22.2	15.9	+ 96.3
B.C.	(a)	(a)	14.2	14.8	23.5	24.6	19.4	..
Canada	8.1	13.3	13.1	10.7	22.1	22.2	16.2	+100.0

(a) Commercial production of sour cherries in British Columbia is included with sweet cherries until 1971.

Source: Statistics Canada.

Almost all of this crop is grown in Ontario<sup>(1)</sup> although, according to information on trees planted, the volume of the B.C. crop is expected to rise. Despite the reduction in Ontario output, total Canadian farm value increased from \$1.7 million in 1961-65 to \$2.8 million in 1971-74. This growth in aggregate farm value resulted from significantly higher farm prices per pound which increased from an average of 8.1 cents in 1961-65 to 16.2 cents in 1971-74. Since 1973, average unit farm values have exceeded 22 cents per pound. Since almost the entire sour cherry crop is sold for processing, the farm prices shown reflect processing market sales.

Acreage data for this fruit crop have not been regularly reported. However, census figures indicate there were 4,444 acres in sour cherries in 1971 (see Appendix Table 4). Average yield per acre for the period 1971-74 was 3,827 pounds.<sup>(2)</sup>

(1) The Census of Canada reports sour cherry trees, and, thus, presumably production in provinces other than Ontario and British Columbia as well, but this would appear to be commercially insignificant (see Appendix Table 4).

(2) Yield is calculated by dividing total average annual production for the years 1971-74 by the number of acres in 1971.

Sweet Cherries

Sweet cherry production in Canada remained largely unchanged since the early 1960s with annual output averaging 19.3 million pounds in 1961-65 and 20.2 million pounds in 1971-74.

Table 2: Cherries (Sweet): Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Ontario	10,690	8,657 <sup>(a)</sup>	10,250	7,424	5,634	4,232	6,885	- 35.6
B.C.	8,650	10,614 <sup>(a)</sup>	12,868	8,568	17,370	14,456	13,316	+ 53.9
Canada	19,340	19,271	23,118	15,992	23,004	18,688	20,201	+ 4.5
- Farm Value, \$'000 -								
Ontario	1,448	1,302 <sup>(a)</sup>	1,437	1,516	1,128	1,126	1,302	- 10.1
B.C.	1,574	2,226 <sup>(a)</sup>	2,228	2,292	3,736	3,221	2,869	+ 82.3
Canada	3,022	3,528	3,665	3,808	4,864	4,347	4,171	+ 38.0
- Farm Value, ¢ per lb. -								
Ontario	13.5	15.0	14.0	20.4	20.0	26.6	18.9	+ 40.0
B.C.	18.2	21.0	17.3	26.8	21.5	22.3	21.5	+ 18.1
Canada	15.6	18.3	15.9	23.8	21.1	23.3	20.6	+ 32.1

(a) Includes a small volume of sour cherry production.

Source: Statistics Canada.

As indicated above, sweet cherry production rose steadily in British Columbia during the review period and declined in Ontario. Hence, British Columbia has become the most important producer of this crop. In 1971-74, British Columbia accounted for some two-thirds of the crop; Ontario the remainder. As with sour cherries, the census information indicates that sweet types are grown in other provinces, but commercial production outside British Columbia and Ontario is minor (see Appendix Table 5). Census data indicate 5,324 acres of sweet cherries in 1971, of which 5,179 acres were in two main producing provinces. The overall yield for these two provinces for 1971-74 was 3,900 pounds per acre, with British Columbia growers realizing the higher level, 4,800 as against 2,900 pounds.

The farm value of sweet cherries in Ontario fell in recent years, following a significant downward trend in production. On the other hand, it rose somewhat in British Columbia. The total crop was worth, on average, \$4.2 million at the farm level during 1971-74 compared with \$3.0 million in 1961-65. The average farm value per pound increased some 32 per cent between 1961-65 and 1971-74. The average unit farm values shown in Table 2 comprise the return from fresh market sales as well as sales to processors, with that for the latter usually being lower.

### Supply and Disposition

#### Sour Cherries

In 1971-74, some 82 per cent of the Canadian sour cherry crop was sold to domestic processors (see Table 3) and the remainder to domestic fresh markets. Most processing sales are to freezers. Frozen sour cherries may be stored up to two years for further processing into items such as pies or confectionery products. A small proportion of processor acquisitions is canned for final consumer use. As noted, the small part of the crop which is sold fresh to consumers is used in pies and other desserts and is not eaten fresh.

Import competition occurs in three forms: from fresh cherries entered for processing or for fresh market sale, from processed (canned) imports in the finished retail form, and from semi-processed (frozen) imports. As shown in Table 3, import competition in the first two forms is minor. On the other hand, competition from semi-processed imports is important. In 1971-74, semi-processed imports accounted for 87 per cent of sour cherry imports in all forms. Such imports will, in the long run, have reduced sales by domestic processors and growers.

The export figures given in Table 3 do not directly distinguish between sweet and sour cherry export sales.<sup>(1)</sup> The Board estimates that export sales of canned sour cherries averaged 635,000 pounds annually during 1971-74 and 2.1 million pounds in 1961-65, and have, thus, declined. Exports of frozen sour cherries sometimes occur, but the quantities are not believed to be significant.

Domestic consumption of sour cherries fell some 14 per cent between 1961-65 and 1971-74 as both imports and production declined. Despite a reduction in volume, the import share of domestic consumption remained approximately constant; it was 17 per cent in 1961-65 and about 18 per cent in 1971-74. Imports for processing (fresh or semi-processed) constituted about 21 per cent of domestic processing acquisitions in 1971-74 compared with 19 per cent in 1961-65. There appears to be no significant trend to greater import penetration as the domestic processing demand is still met mainly by domestic growers. Import competition in the fresh market is negligible.

---

(1) Import and export data recorded by Statistics Canada do not differentiate between sweet and sour types; the Board was able to achieve quite reliable breakdowns, however, from information provided by industry sources.

Table 3: Cherries (Sour): Supply and Disposition, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- '000 lb. -								
<u>Total Production</u>	21,320 <sup>(a)</sup>	17,354 <sup>(a)</sup>	21,900	18,108	11,112	16,912	17,008	- 20.0
<u>Total Imports</u>	4,250	2,331	2,057	2,372	6,593	4,767	3,947	- 7.1
Fresh	201	227	67	601	373	427	367	+ 82.6
Processed (canned) <sup>(b)(c)</sup>	..	236	178	192	104	156	157	..
Semi-processed (frozen) <sup>(d)</sup>	4,049	1,868	1,812	1,579	6,116	4,184	3,423	- 15.5
<u>Total Supply Available</u>	25,570	19,685	23,957	20,480	17,705	21,679	20,955	- 18.0
Available for processing or imported processed	23,357	18,174	23,135	17,701	14,200	16,135	17,793	- 23.8
From domestic production	19,127	15,866	21,085	15,389	7,644	11,411	13,883	- 28.4
Imported processed <sup>(c)</sup>	..	236	178	192	104	156	157	..
Imported semi-processed	4,049	1,868	1,812	1,579	6,116	4,184	3,423	- 15.5
Imported fresh <sup>(c)</sup>	181	204	60	541	336	384	330	+ 82.3
Available for fresh market	2,213	1,511	822	2,779	3,505	5,544	3,162	+ 42.9
From domestic production	2,193	1,488	815	2,719	3,468	5,501	3,125	+ 42.5
Imported	20	23	7	60	37	43	37	+ 85.0
<u>Total Exports</u>								
Processed (canned) <sup>(c)(e)</sup>	2,066 <sup>(f)</sup>	1,241	380	1,134	815	209	635	- 69.3

Table 3: Cherries (Sour): Supply and Disposition, Canada, 1961-1974 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Domestic Disappearance	23,504	18,444	23,577	19,346	16,890	21,470	20,320	- 13.5
Consumed in processed form (g)	21,291	16,933	22,755	16,567	13,385	15,926	17,158	- 19.4
From domestic production	17,242	14,829	20,765	14,796	7,165	11,586	13,578	- 21.3
Imported	4,049	2,104	1,990	1,771	6,220	4,340	3,580	- 11.6
Fresh market consumption	2,213	1,511	822	2,779	3,505	5,544	3,162	+ 42.9
From domestic production	2,193	1,488	815	2,719	3,468	5,501	3,125	+ 42.5
Imported	20	23	7	60	37	43	37	+ 85.0

- '000 lb. -

- (a) Commercial production of sour cherries in British Columbia was included with sweet cherries until 1971.  
 (b) Converted to fresh equivalent on the basis of 0.91 lb. fresh per 1 lb. canned product.  
 (c) Tariff Board estimates.  
 (d) Converted to fresh equivalent on the basis of 1.05 lb. fresh per 1 lb. frozen product.  
 (e) Includes small volumes of re-exports.  
 (f) Three-year average excluding 1961 and 1962.  
 (g) May include small volumes of fresh sour cherries imported for processing.

Source: Derived from Statistics Canada, Agriculture Canada and Tariff Board data.



Annual per capita consumption of sour cherries was estimated at 0.92 pound in 1971-74 and 1.24 pounds in 1961-65. The decline in the aggregate and per capita consumption of this fruit probably explains, in large part, the trend to declining domestic production and imports. During 1971-74, per capita consumption in processed forms amounted to 0.78 pound, greatly outweighing fresh market consumption of 0.14 pound per capita.

While sour cherries are grown in the northern part of the United States (e.g., Michigan), the harvesting season is somewhat earlier than in Canada. Thus, the bulk of fresh imports enters from June to August (see Appendix Table 6) whereas the domestic crop is harvested from July to September. However, based on 1971-75 data, slightly more than half the fresh imports enter during the July-September domestic harvesting season. It should be noted that semi-processed (frozen) imports, the main form of import competition, enter year round with no evident seasonal pattern.<sup>(1)</sup>

### Sweet Cherries

During 1971-74, some 80 per cent of annual sweet cherry production was, on average, sold on the domestic fresh market, 1 per cent was exported and the remainder went for processing (see Table 4). In 1961-65, about 12 per cent of this crop was exported fresh indicating that fresh exports have diminished greatly in recent years. As indicated in Table 4, fresh exports of sweet cherries declined from an annual average of 2.3 million pounds in 1961-65 to only some 254,000 pounds in 1971-74.<sup>(2)</sup> On the other hand, the decline in fresh exports has almost been offset by rising export sales in the processed (canned) form.

Imports of sweet cherries showed a marked upward trend during the period under study, from an annual average of 11.1 million pounds in 1961-65 to 20.3 million pounds in 1971-74, including the fresh equivalent weight of processed imports. This increase was primarily the result of higher fresh market imports which averaged 9.3 million pounds in 1971-74 compared with 2.6 million pounds in 1961-65. However, a growing volume of fresh sweet cherries is imported for processing as well; they averaged 2.3 million pounds in 1971-74, a volume several times greater than such imports in 1961-65.

Import competition for domestic growers of processing cherries takes place mostly in the form of semi-processed cherries in sulphur dioxide,<sup>(3)</sup> which enter throughout the year with no evident seasonal pattern. Such imports, mainly used for maraschinos, which have increased little during the review period, totalled on average, 8.7 million pounds during 1971-74. Imports of fully processed, canned, sweet cherries have been negligible.

- (1) According to an analysis of imports by month under commodity class 72-12 (cherries, frozen).
- (2) Separate export breakdowns for sweet and sour cherries are not maintained, but industry information indicates that Canada exports only sweet types.
- (3) Imports classified under commodity class 76-12 ("Cherries, in liquid preservative, canned") are believed to consist entirely of sweet cherries as sour types are not preserved in sulphur dioxide.

Table 4: Cherries (Sweet): Supply and Disposition, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- '000 lb. -								
<u>Total Production</u>	19,340 (a)	19,271 (a)	23,118	15,992	23,004	18,688	20,201	+ 4.5
<u>Total Imports</u> (b)	11,069	12,911	16,762	16,730	23,775	23,892	20,290	+ 83.3
Fresh	2,859	5,062	8,687	7,767	15,071	14,934	11,615	+306.3
Processed (canned) (c) (d)	..	26	20	21	12	17	18	..
Semi-processed in preservative (e)	8,210	7,823	8,055	8,942	8,692	8,941	8,657	+ 5.4
<u>Total Supply Available</u>	30,409	32,182	39,880	32,722	46,779	42,580	40,490	+ 33.2
Available for processing or imported processed	12,652	14,258	13,031	12,835	17,290	17,292	15,112	+ 19.4
From domestic production	4,156	5,903	3,653	2,707	6,325	3,854	4,135	- 0.5
Imported processed (d)	..	26	20	21	12	17	18	..
Imported semi-processed	8,210	7,823	8,055	8,942	8,692	8,941	8,657	+ 5.4
Imported fresh (d)	286	501	1,303	1,165	2,261	4,480	2,302	+704.9
Available for fresh market	17,757	17,924	26,849	19,887	29,489	25,288	25,378	+ 42.9
From domestic production	15,184	13,368	19,465	13,285	16,679	14,834	16,066	+ 5.8
Imported	2,573	4,556	7,384	6,602	12,810	10,454	9,313	+262.0
<u>Total Exports</u>	2,784	3,810	1,531	657	5,177	3,996	2,840	+ 2.0
Fresh	2,267	1,948	392	47	559	18	254	- 88.8
Processed (canned) (c) (d) (f)	517	1,862	1,139	610	4,618	3,978	2,586	+400.2

Table 4: Cherries (Sweet): Supply and Disposition, Canada, 1961-1974 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Domestic Disappearance	27,625	28,372	38,349	32,065	41,602	38,584	37,650	+ 36.3
Consumed in processed form (h)	12,135	12,396	11,892	12,225	12,672	13,314	12,526	+ 3.2
From domestic production	3,925	4,547	3,817	3,262	3,978	4,356	3,851	- 1.9
Imported	8,210	7,849	8,075	8,963	8,704	8,958	8,675	+ 5.7
Fresh market consumption	15,490	15,976	26,457	19,840	28,930	25,270	25,124	+ 62.2
From domestic production	12,917	11,420	19,073	13,238	16,120	14,816	15,812	+ 22.4
Imported	2,573	4,556	7,384	6,602	12,810	10,454	9,313	+262.0

- '000 lb. -

(a) Includes commercial production of B.C. sour cherries.

(b) Excludes sweet cherries in candied or glacé form entered under tariff item 10535-1; estimated volume in this form averaged 906,000 lb. from 1971-74.

(c) Converted to fresh equivalent on the basis of 0.91 lb. fresh per 1 lb. canned product.

(d) Tariff Board estimate.

(e) Converted to fresh equivalent on the basis of 1.11 lb. fresh per 1 lb. preserved product.

(f) Includes small volumes of re-exports.

(g) Three-year average excluding 1961 and 1962.

(h) Includes imported fresh sweet cherries for processing.

Source: Derived from Statistics Canada, Agriculture Canada and Tariff Board data.

A comparison of 1966-70 and 1971-74 data indicates that imports have, in recent years, become more important in meeting domestic processing demand. In 1971-74, annual processing acquisitions averaged 15.1 million pounds. Of this, fresh or semi-processed imports accounted for 11.0 million pounds, or 73 per cent. In contrast, imports for processing (8.3 million pounds) in 1966-70 comprised some 59 per cent of domestic processor acquisitions (14.2 million pounds).

Fresh market demand for sweet cherries rose notably since the early 1960s - from an annual average of 17.8 million pounds in 1961-65 to 25.4 million pounds in 1971-74. Imports accounted for 17 per cent of Canadian fresh market sales in 1961-65, 29 per cent in 1966-70 and 37 per cent in 1971-74. Hence, imports of sweet cherries have captured a steadily rising share of domestic fresh market sales.

Based on 1971-74 data, per capita consumption of sweet cherries is estimated at 1.7 pounds - fresh form 1.1 pounds and processed form 0.6 pound. The rise in per capita consumption, from about 1.5 pounds in 1961-65, has been entirely due to expanding fresh market sales.

Fresh market consumption of sweet cherries is highly seasonal since the crop is perishable and has an extremely short harvesting period. In Canada, sweet cherries are harvested almost entirely in July. Based on 1971-74 data, 93 per cent of fresh market shipments occurred in this one month (see Appendix Table 7). As shown in Appendix Table 8, imports are also concentrated in only a few months (June to August). While domestic growers meet about 80 per cent of fresh market demand in July, imports supply most of the demand in June and August and all of it in other months (see Appendix Table 9).

As noted, fresh market imports of sweet cherries rose substantially during the review period. Moreover, import competition has increased significantly during the peak domestic harvesting month of July; it is estimated that fresh market imports during July averaged some 1.9 million pounds in 1966-70 and 3.4 million pounds in 1971-74. Nevertheless, the bulk of the import increase in recent years took place in June and August.<sup>(1)</sup> It appears that the main import month is June and that imports in this month essentially do not compete with domestic marketing. In U.S. growing areas, the sweet cherry crop is harvested somewhat earlier than in Canada.

---

(1) Between 1966-70 and 1971-74, fresh market imports rose from an estimated annual average of 4.5 million pounds to 9.3 million pounds. The bulk (68 per cent) of the indicated import increment of 4.8 million pounds was due to imports prior to or after July, which did not compete with domestic sales.

British Columbia, by considerable margin the most important producing province, markets the bulk of its fresh sweet cherries outside the province. From 1971-74 unloads information, it is estimated that shipments to Quebec and Ontario accounted for 46 per cent of British Columbia fresh market sales. Shipments to the Prairie Provinces accounted for 40 per cent and the remaining 14 per cent was sales made within British Columbia. Shipments from British Columbia to the Maritimes are minor. Ontario, the only other significant producer, ships to Quebec, Manitoba and the Maritimes. However, most of Ontario's fresh market production is sold within the province. Given this marketing pattern, it can be seen that there is substantial competition between British Columbia and Ontario growers in major fresh markets such as Montreal and Toronto.

### IMPORTS

Data on imports of fresh cherries, by country of origin and by province of entry, are presented in Appendix Tables 10 and 11. Because of statistical problems in distinguishing between imports of sweet and sour cherries, these tables present combined figures. However, both tables reflect almost entirely the importation of sweet cherries since Canada imports only minor quantities of sour cherries in fresh form. For example, in 1971-75, combined imports averaged 11.8 million pounds annually while sour cherry imports averaged only 370,000 pounds, or about 3 per cent of total imports.

The United States accounts for virtually all (more than 99 per cent in 1971-75) imports of fresh cherries into Canada (see Appendix Table 10). Import competition for sour cherries appears to be mainly from growing regions in Michigan. For sweet cherries, competition is primarily from California and Washington. These states export sweet cherries to all Canadian markets (see Appendix Table 12).

Based on Appendix Table 11, which essentially covers sweet types only, 66 per cent of total Canadian sweet cherry imports during 1971-75 entered Quebec and Ontario and 32 per cent the western provinces. Although the bulk of the domestic sweet cherry crop is grown in British Columbia and Ontario, imports into these two provinces have nonetheless accounted for most of the import growth of recent years.

As noted, semi-processed imports constitute an important competitive factor for all cherries grown domestically. Frozen sour cherries are imported entirely from the United States; sweet cherries, semi-processed in brine, originate principally from the United States and Italy.

### EXPORTS

Exports of sour cherries may be assumed to be negligible based on industry information; published export data for cherries refer to sweet types (see Appendix Table 13). As shown, sweet cherries have occasionally been exported in minor volumes to the United Kingdom, but virtually all go to the United States. Exports are shown to have declined from an annual average of 1.9 million pounds during 1966-70 to 231 thousand pounds during 1971-75.



PRICESSour Cherries

As noted earlier (see Table 1), the farm-gate price of sour cherries during 1971-74 averaged 16.2 cents per pound. The price breakdown given in Table 5, differentiating between fresh market and processing sales, shows that in 1971-74 the average fresh market price exceeded the farm price received on processing sales. However, in 1966-70, domestic growers tended to receive a higher price for processing sales. It will be recalled that the bulk of this crop is sold for processing and, hence the processing price is the more significant. The year-to-year fluctuations in grower prices parallel those in the main producing area in the United States, Michigan (see Appendix Table 16c).

Table 5: Cherries (Sour): Average Unit Farm Values,  
Fresh and Processing Markets,  
Canada, 1966-1974

	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
- ¢ per lb. -						
Sold for processing	13.4	13.1	9.8	21.8	21.8	15.1
Sold to fresh market	11.5	13.5	15.8	22.7	23.1	20.8
Total Production	13.3	13.1	10.7	22.1	22.2	16.2

Source: Derived from Statistics Canada data.

Wholesale-to-retail price data for sour cherries are not presented because wholesale quantities are not available due to the small quantities of this crop sold on the fresh market. Information on the breakdown of the landed cost of imported sour cherries into f.o.b. cost, freight, brokerage and other associated costs and the cost of the duty was also unavailable. The proximity of Ontario and Michigan, the two main growing areas in their respective countries, suggest, however, that growers in the former area receive little protection in the form of transportation costs on imports, and, thus, are largely dependent for protection on the duty.

Sweet Cherries

Like sour cherries, the farm-gate selling price for sweet cherries tends to be higher for fresh market sales than for sales to processors.

Table 6: Cherries (Sweet): Average Unit Farm Values,  
Fresh and Processing Markets,  
Canada, 1966-1974

	Average 1966-70	1971	1972	1973	1974	Average 1971-74
	- ¢ per lb. -					
Sold for processing	16.0	13.7	13.6	18.2	24.3	17.8
Sold to fresh market	19.3	16.3	25.9	22.3	23.0	21.4
Total Production	18.3	15.9	23.8	21.1	23.3	20.6

Source: Derived from Statistics Canada data.

Wholesale-to-retail price quotations for sweet cherries are shown in Appendix Table 14. The 1974 data shown are believed to be generally representative of the normal marketing pattern. The early market is met by California imports and in mid-season by imports from Washington. British Columbia's sweet cherries, normally shipped throughout Canada, dominate the market toward the end of the marketing season. Since sweet cherries are available in Canada for only a short period, 1974 quotations cover only the period from May to August.

As indicated by 1974 wholesale quotations, the California sweet cherry crop is harvested earliest and is marketed in May and June. Wholesale prices for California imports are notably higher for this early market. Prices decline markedly as the season progresses and as cherries from other U.S. producing states, mainly Washington, begin to appear. Lower-priced Washington sweet cherries are normally the principal competitive factor midway through the marketing season. In the latter part of the season, sweet cherries from Ontario and British Columbia come on the market in volumes and at prices that appear to displace most import competition.

The Board conducted a survey of import costs for sweet cherries (see Appendix Tables 15a and 15b). Based on 1974 figures, freight costs for imports from Washington and California into Winnipeg, Toronto, and Montreal were normally 4 cents to 6 cents per pound and constituted 8-12 per cent of the total landed cost. Generally lower freight costs into Vancouver resulted in freight charges there averaging between 3-12 per cent of the landed cost. Freight costs are thus a minor cost component relative to reported landed cost. In contrast to sour cherries and to most other fresh fruits and vegetables, the protection afforded by the freight cost on sweet cherry imports is generally less than the protection conferred by existing import duties. In most recent years, a 10 per cent ad valorem tariff<sup>(1)</sup> has been applied to sweet cherries with import duties, equivalent roughly to 6 cents per pound, usually being higher than freight charges, particularly on imports into Vancouver.

(1) Under tariff item 9203-1, a specific duty of 2 cents per pound or an ad valorem rate of 10 per cent may apply to sweet cherries. The specific duty has not, in most years, been requested inasmuch as the rate of 10 p.c. yields a considerably higher duty.



## CANADA-UNITED STATES COMPARISONS

Sour Cherries

The sour cherry crop in the United States averaged about 246 million pounds during 1971-74; in Canada, it averaged 17 million pounds. U.S. production is concentrated in the Great Lakes area, mainly in Michigan, New York, Wisconsin, and Pennsylvania (see Appendix Table 16a). Michigan alone had about 72 per cent of U.S. output in 1971-74. Since Ontario accounts for almost all of the domestic sour cherry production, Canada-U.S. competition is mainly between growers in these two areas. Average unit farm values of sour cherries fluctuate in a similar manner in the two countries.<sup>(1)</sup> It seems that the price to Ontario growers is largely determined by market conditions in nearby Michigan which produces some 12 times more than Ontario at about the same time of the year. Farm-gate prices are, however, around 3 cents higher in Canada, a differential related to the present specific duty.

Table 7: Sour Cherries: Production Costs in Ontario, New York and Michigan, 1974

	Ontario (Niagara Area)	New York (Wayne County)	Michigan		
			North- West	West Central	South- West
- \$ per acre -					
Pre-harvest	336	220	220	223	221
Harvesting and marketing	517	66	69	63	63
Orchard overhead	340	351	411	306	312
General overhead	143	312	343	271	441
Total Costs	1,336 <sup>(a)</sup>	949	1,043	873	1,037

(a) Although Ontario yields vary considerably, costs are budgeted for a yield of 4 tons per acre at an indicated cost per pound of 16.7 cents.

Source: Report prepared for the Tariff Board by G.A. Fisher, P. Ag.

With respect to production cost in Canada and the United States, the Board obtained data for Ontario, New York and Michigan for the 1974 crop. The comparison, see Table 7, is however on the basis of total costs per acre only. There were no figures available on the yield or output per acre, and thus production costs per pound could not be compared. On the assumption that yields in the two countries are not greatly different, a reasonable assumption relative to the closeness of the two major growing areas, it would seem that production costs are higher for Canadian growers. Higher harvesting costs explain the greater total costs shown. In the United States, the harvesting

(1) See Table 5, Appendix Tables 16a and 16c.

of sour cherries is highly mechanized while manual picking still predominates in Ontario. A report on Ontario harvesting methods concludes that the use of mechanical harvesters (tree shakers) would contribute greatly to a lowering of production costs.<sup>(1)</sup>

### Sweet Cherries

The U.S. sweet cherry crop averaged some 266 million pounds per year during 1971-74, 14 times more than the Canadian crop. About 51 per cent of U.S. production is processed (see Appendix Tables 17a to 17c), and 49 per cent is for the fresh market. In contrast, 78 per cent of Canadian sweet cherry output is sold on the fresh market.

Washington is the most important producing state followed by California, Oregon, and Michigan. Canadian imports of sweet cherries for the fresh market are from California and Washington. Imports from California do not compete with Canadian production to any extent since the harvest there is earlier, although the size of the California crop does have an impact on prices received subsequently by growers in Washington and Canada. Principal import competition for Canadian growers is, therefore, from Washington which markets its crop during, or slightly before, the main Canadian marketing season. Michigan, an important producer, does not provide a great deal of competition for Canadian growers because Michigan's sweet cherry crop, like Oregon's, is utilized almost entirely for processing (see Appendix Table 17c).

Unit farm values for sweet cherries in the two countries show a very similar pattern. The poor crop on the west coast in 1972 in both countries resulted in greatly increased grower prices in that year, and, was followed by a substantial drop, as a bumper crop was harvested in 1973. Canadian unit farm values have on the whole tended to be somewhat higher, Table 2 and Appendix Tables 17a and 17b.

## TARIFF CONSIDERATIONS

### Sour Cherries

Sour cherries entering Canada, for fresh market consumption or for processing, are dutiable under tariff item 9202-1 as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Cherries, sour .....	Free	3 cts. or Free	3 cts. or Free

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty is not in effect.

(1) G.A. Fisher, Tart Cherry Production Costs in Ontario and United States Areas, Reports prepared for the Tariff Board, September, 1974.

The item is bound under GATT and has existed in its present form since 1968. Prior to 1959, all fresh cherries were classified in a single item. The changes since 1930 in the rates of duties on sour cherries under the Most-Favoured-Nation and the General Tariff are shown in Table 8, which includes only those changes, by Statute or Trade Agreement, that affected the rates applicable. The rates shown in the table are per cent ad valorem or cents per pound; when a period in weeks appears below a rate, this is the maximum applicable period for that rate.

Table 8: Cherries, Sour: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> <sup>(a)</sup>
1930, May 2 Statutory Change	Free	15 p.c.	20 p.c. <sup>(b)</sup>
1939, January 1 United States Trade Agreement		10 p.c.	
1948, January 1, GATT		2 cts. <sup>(c)</sup> (7 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	2 cts. (7 weeks) or 10 p.c.	2 cts. (7 weeks) or 10 p.c.
1959, April 10 Statutory Change	Free	3 cts. (10 weeks) or 10 p.c.	3 cts. (10 weeks) or 10 p.c.
1968, January 1 Statutory Change <sup>(d)</sup>	Free	3 cts. (10 weeks) or Free	3 cts. (10 weeks) or Free

(a) Applicable to imports from the United States until December 31, 1935.

(b) Not less than 2 cents.

(c) Not applied until 1950.

(d) As a result of the Kennedy Round.

Source: Canadian Customs Tariff.

Appendix Table 18 shows the dates since 1966 during which the specific duty has been in force in each year. In the central region, the specific duty has, except for 1971, been in force in all years for the full period authorized, 70 days. In the Maritimes, the specific duty has been in effect in each year during 1971-75, but not in earlier years. There is some production of sour cherries in the Maritimes, but it is small. The application of the specific duty in this tariff zone would offer protection to local growers and to Ontario producers marketing there. In the western region, the specific duty was in effect from 1970 to 1973 inclusive, but not otherwise. The period of application is normally mid July to mid September in all tariff regions, with somewhat later periods requested in the Maritimes and western regions.

Whereas, for most commodities, import data (imports classified by tariff item) were used to calculate average unit import prices for the purpose of demonstrating the erosion in the ad valorem equivalent of the specific duty, this information is not shown in the case of sour cherries. Reported data are evidently subject to coding discrepancies.<sup>(1)</sup> Based on average U.S. unit farm values, an average import price of 13 to 14 cents per pound would appear to be indicated for fresh market or processing imports during 1971-74 (see Appendix Tables 16b and 16c). On an ad valorem basis, the level of protection afforded by the existing specific duty of 3 cents would appear to have averaged from 21 to 23 per cent in 1971-74. On this basis, there does not appear to have been any significant degree of erosion, due to price increases, in the degree of protection conferred by the specific duty. The average U.S. farm price was 11.9 cents per pound in 1966-70 and 13.3 cents per pound in 1971-74 (see Appendix Table 16a). It may be noted that the U.S. price for sour cherries has fluctuated markedly in recent years, being 18 to 19 cents per pound in 1973 and 1974, and 9.9 and 8.2 cents per pound in 1971 and 1972, respectively. Moreover, preliminary data reveal a substantial price decline in 1975 to 10.3 cents per pound.

The following schedule pertains under the U.S. tariff for imports of fresh sour cherries; no distinction is made in the U.S. schedules as between sweet and sour cherry types:

Cherries, fresh, or prepared or preserved:

Fresh:

		Rates of Duty	
		1	2
Item 146.90	Not in airtight or watertight containers	0.2¢ per lb.	2¢ per lb.
Item 146.91	In airtight or watertight containers ....	1¢ per lb.	2¢ per lb.

(1) In 1974 and 1975, for example, the average f.o.b. import price for sour cherries entered under tariff item 9202-1 is recorded at 41.3 cents per pound. This price figure is misleading because of the much lower farm values prevailing in the United States and for domestic sales.

The Canadian Horticultural Council requested that the existing 3 cents per pound specific duty on sour cherries under tariff item 9202-1 be increased to 5 cents.<sup>(1)</sup> The Council further proposed that this 5-cent specific duty be combined with an ad valorem minimum of 20 per cent under both the Most-Favoured-Nation and General Tariff and that free entry continue under the British Preferential Tariff. No change to the existing 10-week period of specific duty application was requested.

The Council stated in its brief that cherry (both sweet and sour) crops are particularly prone to wide fluctuations in production, giving rise to "distress prices" in bumper years. The Council's view was that an increase in specific duties, both for sweet and sour types, was "required to afford protection and encouragement to Canadian growers."<sup>(2)</sup>

With reference to sour cherries specifically, the Council spokesman at the public sittings indicated that an increased specific duty was requested because of price fluctuations and competition from sour cherry producers in Michigan:

... we feel we need an extra latitude of protection because of the wide fluctuations in the pricing .... We feel that because of the fluctuation and the relative situation, that we need a higher tariff. I know our growers feel that we have not been getting enough money for them to maintain their interest in sour cherries to the extent that they (Michigan growers) are and that we need more money for these people.<sup>(3)</sup>

With respect to low- or distress-priced imports, the Board feels that there are several alternatives to greatly increased permanent statutory tariffs for countering this problem. These alternatives and the Board's recommendations are discussed in Chapter IV, Volume 1, Part I of the report on Reference 152.

If adopted, the Council's request for an increase in the specific duty from 3 cents per pound to 5 cents per pound would impose an additional consumer cost estimated at \$485,000 annually, based on 1974 data, assuming that domestic grower prices are raised to the extent of the tariff increase. The cost to a family of four would be 9 cents annually. Benefits to Canadian growers would be an estimated \$338,000.

- 
- (1) As originally submitted, the Council's brief requested an increase to 7½ cents per pound. This was, in the subsequent public sittings, revised to 5 cents. See Transcript, Volume 8, p. 1004.
  - (2) Brief of The Canadian Horticultural Council submitted on Tariff Board Reference No. 152, p. 53.
  - (3) Transcript, Volume 8, pp. 1028-1029.



The Canadian Food Processors Association proposed a separate tariff item, "Cherries (sour) for manufacture," for sour cherries when entered fresh for processing. The rate advocated for this new item was 10 per cent applicable for 10 weeks, free entry to pertain at other times. The more general representations of the Canadian Importers Association Inc., the National Farmers Union and the Consumers' Association of Canada would also be applicable to sour cherries.

Whereas, in the case of many fresh fruits and vegetables, it is desirable to structure the tariff schedule to distinguish between entry for processing and for fresh market use, in the case of sour cherries this distinction may not be merited. The volume of sour cherries imported in fresh form is relatively minor (an annual average of 367,000 pounds in 1971-74), and, taking Michigan prices as indicative of import prices, there appears to be little price differential between fresh market and processing market sales.

Sour cherry imports in the frozen and semi-processed state greatly exceed imports in the fresh form. Semi-processed sour cherry imports enter under tariff item 10702-1, "Cherries, frozen." The existing tariff schedule under tariff item 10702-1 provides for specific duties of  $2\frac{1}{2}$  cents B.P.; 3 cents M.F.N. and 3 cents Gen. The Canadian Horticultural Council requested, both for tariff item 9202-1 and tariff item 10702-1, that the specific duty be raised to 5 cents per pound subject to a minimum of 20 per cent. These tariff items will be considered in Volume 2 of the Board's report, dealing with processed fruits and vegetables.

#### Sweet Cherries

Fresh sweet cherries entering Canada, for fresh market consumption or for processing, are dutiable under tariff item 9203-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Cherries, sweet ..... per pound	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 7 weeks and the 10 per cent duty shall apply whenever the specific duty is not in effect.

This item is bound under GATT and has existed in its present form since 1959, when separate provisions were introduced for sweet and sour cherries, previously dutiable under a single item. The rates of duties on sweet cherries have not been altered since 1950, except that, for the period February 20, 1973 to February 19, 1974, the 10 p.c. alternative rate under the Most-Favoured-Nation and General Tariff was suspended and free entry substituted. Consequently, while sour cherries have been free of duty in the off-season since 1969, sweet cherries have, except during the period cited, been dutiable.

The reduction since 1930 in the duties on sweet cherries under the Most-Favoured-Nation and General Tariff are shown in Table 9, which lists only those changes, by Statute or Trade Agreement, that affected the rates applicable. In the table, the rates shown are per cent ad valorem or cents per pound; when a period in weeks appears below a rate, this indicates the maximum applicable period for that rate.

Table 9: Cherries, Sweet: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2			
Statutory Change	Free	15 p.c.	20 p.c. (b)
1939, January 1			
United States			
Trade Agreement		10 p.c.	
1948, January 1			
GATT		2 cts. (c) (7 weeks) or 10 p.c.	
1950, June 1			
Statutory Change (d)	Free	2 cts. (7 weeks) or 10 p.c. (e)	2 cts. (7 weeks) or 10 p.c. (e)

(a) Applicable to imports from the United States until December 31, 1935.

(b) Not less than 2 cents.

(c) Not applied until 1950.

(d) Until April 9, 1959, as "cherries"; from April 10, 1959, as "Cherries, sweet."

(e) The 10 per cent alternative rate was temporarily suspended, and free entry substituted, by Statute, from February 20, 1973 to February 19, 1974.

Source: Canadian Customs Tariff.

The specific duty on sweet cherries, which may be applied for seven weeks, has only been requested in two years since 1966 (see Appendix Table 19). It was applied in 1973, in both central and western Canada for the full period permitted (49 days) because the 10 per cent rate had been temporarily suspended. In 1969, in central Canada only, the specific duty was evidently requested because of unusually low import prices.



The specific duty has not been requested in most recent years because of the substantially higher tariff protection afforded by the alternative 10 p.c. rate. Monthly import prices for sweet cherries entered under tariff item 9203-1 are tabulated in Appendix Table 20.<sup>(1)</sup> As will be noted, the import price in July, during which almost all of the domestic crop is marketed, averaged 34.6 cents a pound in 1971-75. The 10 p.c. rate provided would, on that basis, have a duty equivalent of about  $3\frac{1}{2}$  cents per pound, yielding a much higher protection level than the specific duty of 2 cents per pound. Alternatively, the 2-cent specific duty would be equivalent to an ad valorem rate of 5 to 6 per cent. Given the increase in the July price in 1975 (to 41.5 cents per pound), the more current ad valorem equivalent would be about 5 per cent.<sup>(2)</sup>

The application of the 10 p.c. rate throughout the full year is unnecessary considering that almost all of the domestic crop is marketed in July only. Only a small portion of the crop is marketed outside of July - in the last week of June or the first week of August. Thus, the imposition of the 10 p.c. rate in all months constitutes an unnecessary burden to consumers who bear the cost of duties which apply even though domestic production is non-existent. June is normally the main importing month and, except toward the end of this month, domestic supply is not available. Nonetheless, the imposition of the 10 p.c. duty in June means that a duty of about 4 cents per pound is collected on all imports during the month (in 1971-75, the June import price averaged 39.5 cents per pound). Similarly, in August an import duty is imposed despite a very limited domestic supply; in all other months imports are dutiable despite no domestic availability.

However, the removal of the 10 p.c. rate, which can certainly be justified on the above grounds, would leave domestic growers with a protection level determined only by the specific duty. The discontinuation of the 10 p.c. rate would without an increase in the amount of specific duty reduce protection by at least half.

The Council proposed that the per pound specific duty on sweet cherries be increased from 2 cents to 5 cents, the latter rate to be subject to an ad valorem minimum of 20 per cent. The Council proposed that the existing 10 p.c. rate be removed and that the existing dutiable period of seven weeks be increased to 10 weeks. In its brief to the Board, the Council stated with reference to sweet cherries that an increase in the specific duty "is required to afford protection and encouragement to Canadian growers."

The rate structure proposed by the Council would add to consumer costs although some portion of imports, previously dutiable at 10 p.c., would be entered free of duty. The additional consumer cost implicit in the Council's proposal is estimated at roughly \$850,000, taking into account higher selling prices for the domestic crop, higher import duties during the 10-week seasonal duty period, and free entry for imports outside this 10-week dutiable period. The additional cost to consumers is estimated at about 15 cents annually per family of four and the benefit to growers is estimated at \$700,000.

- (1) This table shows composite price averages including fresh market imports and imports, fresh, for processing.
- (2) The ad valorem equivalent for fresh market imports would, in fact, be less than 5 per cent considering that fresh market imports occur at higher prices than imports for processing.

As noted, the Council's proposed tariff structure would extend the period during which the specific duty may be applied, from the existing seven weeks to 10 weeks. Based on 1971-74 data, 93 per cent of the domestic sweet cherry crop is marketed in July. A survey of weekly unloads data indicates that in recent years domestic marketings seldom commence before the last week of June and seldom extend beyond August 8. In most crop years, the marketing of the complete crop seems to be completed between June 21 and August 8, a period of 49 days. The Council's proposal for a three-week extension of the dutiable period would provide protection during those weeks immediately preceding the Canadian production period when imports usually peak. Protection at this time was deemed necessary because of the import of the volume and prices of these early season imports on domestic prices and market conditions. It should be noted that the maximum period for application of the specific duty is determined separately for each of the tariff regions. Thus, the weeks covered by the specific duty on sweet cherries can be selected in accordance with prevailing regional crop and market conditions.

The Canadian Food Processors Association proposed a separate tariff item for sweet cherries when imported for processing - "Cherries (sweet) for manufacture." A rate of 10 per cent M.F.N., was advocated for this item, applicable for seven weeks, with free entry to apply at other times.

In the case of sweet cherries, in contrast to the sour types, a tariff structure which differentiates between imports for fresh market sale and fresh imports for processing, may be of merit. While most sweet cherries are entered for the fresh market, sizable volumes are also entered for processing (an annual average of 2.3 million pounds in 1971-74) and appear to be expanding significantly. Of more importance, processing market prices differ considerably from fresh market prices. While imports classified under tariff item 9203-1 cannot be broken down as to use, U.S. price data (Appendix Tables 17b and 17c) suggest that the processing price is usually one-third to one-half of the fresh market price. A similar price differential is evident from British Columbia data.<sup>(1)</sup>

The Northwest Horticultural Council, Yakima, Washington, and the California Grape & Tree Fruit League, San Francisco, California, both urged that there be no increase in the existing duties on sweet cherries. The more general representations of the Canadian Importers Association Inc., the National Farmers Union and the Consumers' Association of Canada are also relevant.

Substantial volumes of sweet cherries also entered Canada in semi-processed form in brine (SO<sub>2</sub>). Such imports in fresh equivalent weight, 43 per cent of total imports of sweet cherries in 1971-74, displace, and compete with, sales by domestic growers to Canada's brining industry. Brined cherries are entered under tariff item 10520-1 "Cherries, sulphured or in brine, not bottled" at 10 p.c. B.P., 12½ p.c. M.F.N. and 30 p.c. Gen. This item is dealt with in Volume 2 of the Board's report on Reference 152.

(1) In 1971-74, for the British Columbia crop, the processing market price averaged 12.1 cents per pound as against 24.5 cents per pound for fresh market sale. For the Ontario crop, the price differential was less.

In addition to protection provided by the tariff, this industry has in recent years also received assistance through non-tariff action taken by the federal government. In 1973, there was an extremely large domestic crop together with bumper crops in California, Washington, and Oregon. In that year, the government instituted, on June 30, a surtax on sweet cherries (both for processing and fresh market sale) to stabilize the Canadian market against distress-priced imports. Further, in 1976, pursuant to another large North American crop in 1975, the federal government designated sweet cherries for support under the Agricultural Stabilization Act, granting stabilization payments to growers totalling \$623,000.

## CONCLUSIONS

### Sour Cherries

Canada's sour cherry crop is mainly sold for processing, either frozen or canned, and is predominantly used for pie filling. Canadian production has fallen in recent years from an average of 21.3 million pounds in 1961-65 to 17.0 million pounds in 1971-74, a decline of 20 per cent. During the review period, total imports in fresh equivalent weight have also declined. The decline in domestic output has resulted from reduced crops in Ontario, by considerable margin the most important producing province. Declining production may be attributed in large part to a lessening demand for this fruit, as domestic disappearance, in both fresh and processed forms, has fallen by 14 per cent between 1961-65 and 1971-74; over the same period, per capita consumption has fallen by an estimated 26 per cent.

The Board notes that the evidence indicates that the decline in production appears to be more a case of declining domestic demand than one of increased import penetration. However, in view of the proximity of the large and more efficient cherry growing industry in Michigan, and the considerable erosion in the level of protection provided by the current specific duty, the Board feels that a moderate increase in protection is warranted. It therefore recommends a rate of 4 cents a pound, with a minimum ad valorem level of 12½ per cent under both the Most-Favoured-Nation and General Tariff. The B.P. rate would remain Free. The Board, furthermore, recommends that these rates apply to both fresh imports for processing and for the fresh market, under a single tariff item. The maximum period for application of the recommended duties would remain 10 weeks, to be administered regionally.

### Sweet Cherries

Canadian sweet cherry production has increased only marginally during the period under review, while fresh imports have almost doubled. Most of the growth in domestic consumption of sweet cherries has, therefore, accrued to foreign producers. Import penetration has risen during the Canadian production season with respect to both the fresh market and the market for processing cherries.

In view of this substantial weakening in the competitive position of Canadian growers, the Board concludes that an increase in protection is justified, and recommends a specific duty of 5 cents per pound for fresh market cherries with a minimum ad valorem rate of  $12\frac{1}{2}$  per cent. These rates would apply to both the Most-Favoured-Nation and General Tariff. Furthermore, the Board concludes that the present off-season duty of 10 per cent be discontinued, and so recommends. However the Board is of the opinion that some measure of off-season protection for sweet cherries may be required, from time to time, and, therefore, recommends an extension of the maximum period for seasonal duty application to 10 weeks, to be administered regionally.

The Board recommends a separate tariff item for sweet cherries imported for processing. The sizable and rising volumes of imports for processing would appear to warrant a separate item. Moreover, a lower amount of protection would appear warranted for sweet cherries entered for processing inasmuch as these normally have a lower value for duty than fresh market cherries. The Board recommends a rate of 4 cents per pound but not less than  $12\frac{1}{2}$  per cent, applicable all year round.

### RECOMMENDATIONS

#### Sour Cherries

The Board recommends the deletion of existing tariff item 9202-1 respecting sour cherries and the insertion of the following item under the preamble "Fruits, fresh, in their normal state, the weight of the packages to be included in the weight for duty."

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Cherries, sour ..... per pound	Free	4 cts. but not less than $12\frac{1}{2}$ p.c., or Free	4 cts. but not less than $12\frac{1}{2}$ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Sweet Cherries

The Board recommends the deletion of existing tariff item 9203-1 respecting sweet cherries and the insertion of the following item under the preamble "Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty."

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Cherries, sweet, n.o.p. ....			
..... per pound	Free	5 cts. but not less than 12½ p.c., or Free	5 cts. but not less than 12½ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Cherries, sweet, for processing			
..... per pound	Free	4 cts. but not less than 12½ p.c.	4 cts. but not less than 12½ p.c.





Appendix Table 1

Cherries (Sweet and Sour): Production, Farm Value and Farm Value  
per Pound, by Province, 1961-1974

	<u>Average</u> <u>1961-65</u>	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Ontario	32,010	26,011	30,678	24,276	15,348	19,624	22,482	-29.8
B.C.	<u>8,650</u>	<u>10,614</u>	<u>14,340</u>	<u>9,824</u>	<u>18,768</u>	<u>15,976</u>	<u>14,727</u>	+70.3
Canada	40,660	36,625	45,018	34,100	34,116	35,600	37,209	- 8.5
- Farm Value, \$'000 -								
Ontario	3,178	3,607	4,093	3,263	3,256	4,508	3,780	+18.9
B.C.	<u>1,574</u>	<u>2,226</u>	<u>2,437</u>	<u>2,478</u>	<u>4,064</u>	<u>3,595</u>	<u>3,144</u>	+99.7
Canada	4,753	5,833	6,530	5,741	7,320	8,103	6,924	+45.7
- Farm Value, ¢ per lb. -								
Ontario	9.9	13.9	13.3	13.4	21.2	23.0	16.8	+69.7
B.C.	18.2	21.0	17.0	25.2	21.7	22.5	21.3	+17.0
Canada	11.7	15.9	14.5	16.8	21.5	22.8	18.6	+59.0

Source: Statistics Canada.

Cherries (Sweet & Sour): Number of Trees, Acres and Farms Reporting, by Province  
and Region, 1961 and 1971

	1961				1971			
	No. of Farms Reporting	Number of Trees			No. of Farms Reporting	Number of Trees		
		Total	Under 5 yrs.	Over 5 yrs.		Total	Under 5 yrs.	Over 5 yrs.
<u>Atlantic Region</u>	766	5,137	1,132	4,005	305	4,802	1,060	3,742
Nfld.	7	43	4	39	1	6	-	6
P.E.I.	36	914	163	751	15	664	257	407
N.S.	614	3,257	635	2,622	267	3,920	774	3,146
N.B.	109	923	330	593	22	212	29	183
<u>Central Region</u>	8,490	538,593	130,217	408,376	4,612	554,041	122,873	431,168
Que.	1,003	9,899	3,424	6,475	329	4,743	2,333	2,410
Ont.	7,487	528,694	126,793	401,901	4,283	549,298	120,540	428,758
<u>Western Region</u>	4,771	214,635	87,063	127,572	3,301	249,417	71,229	178,188
Man.	76	2,642	1,255	1,387	39	2,683	2,256	427
Sask.	81	1,958	1,454	504	45	2,906	2,448	458
Alta.	41	1,380	846	534	47	2,696	1,322	1,374
B.C.	4,573	208,655	83,508	125,147	3,170	241,132	65,203	175,929
Canada (a)	14,027	758,365	218,412	539,953	8,218	808,260	195,162	613,098
								9,768

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Cherries (Sweet & Sour): Supply and Disposition, 1961-1974

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>	<u>% Change 1961-65 to 1971-74</u>
<u>Total Production</u>	40,660	36,625	45,018	34,100	34,116	35,600	37,209	- 8.5
<u>Total Imports (a)</u>								
Fresh	15,319	15,242	18,819	19,102	30,368	28,658	24,237	+ 58.2
Processed (Canned) (b)	3,060	5,289	8,754	8,368	15,444	15,361	11,982	+291.6
Semi-processed (Frozen) (c)	..	262	198	213	116	173	175	..
Semi-processed (In Preservative) (d)	4,049	1,868	1,812	1,579	6,116	4,184	3,423	- 15.5
8,210	7,823	8,055	8,942	8,692	8,941	8,657	8,657	+ 5.4
<u>Total Supply Available</u>	55,979	51,867	63,837	53,202	64,484	64,258	61,445	+ 9.8
Available for Processing or Imported Processed:	36,009	32,432	36,166	30,536	31,490	33,427	32,905	- 8.6
From Domestic Production	23,283	21,769	24,738	18,096	13,969	15,265	18,018	- 22.6
Imported Processed	..	262	198	213	116	173	175	..
Imported Semi-processed	12,259	9,691	9,867	10,521	14,808	13,125	12,080	- 1.5
Imported Fresh(e)	467	710	1,363	1,706	2,597	4,864	2,632	+463.6
Available for Fresh Market:	19,970	19,435	27,671	22,666	32,994	30,832	28,541	+ 42.9
From Domestic Production	17,377	14,856	20,280	16,004	20,147	20,335	19,191	+ 10.4
Imported	2,593	4,579	7,391	6,662	12,847	10,497	9,350	+260.6

Appendix Table 3

Appendix Table 3 (concl.)

Cherries (Sweet & Sour): Supply and Disposition, 1961-1974								
	Average 1961-65	Average 1966-70	1971	1972	1973	1974		
	- thousand pounds -							
						Average 1971-74		
						% Change 1961-65 to 1971-74		
<u>Total Exports (f)</u>								
Fresh	4,850	5,051	1,911	1,790	5,992	4,205	3,475	- 28.4
Processed (Canned) (b)	2,267 (g)	1,948	392	47	559	18	254	- 88.8
	2,583 (g)	3,103	1,519	1,743	5,433	4,187	3,221	+ 24.7
<u>Total Domestic Disappearance</u>	51,129	46,816	61,926	51,412	58,492	60,053	57,970	+ 13.4
Consumed in processed form:	33,426	29,329	34,647	28,793	26,057	29,240	29,684	- 11.2
From Domestic Production (h)	21,167	19,376	24,582	18,059	11,133	15,942	17,429	- 17.7
Imported	12,259	9,953	10,065	10,734	14,924	13,298	12,255	- 0.1
Fresh Market Consumption:	17,703	17,487	27,279	22,619	32,435	30,814	28,287	+ 59.8
From Domestic Production	15,110	12,908	19,888	15,957	19,588	20,317	18,937	+ 25.3
Imported	2,593	4,579	7,391	6,662	12,847	10,497	9,350	+260.6
(a) Excludes sweet cherries in candied or glazed form, entered under tariff item 10535-1, estimated volume in this form averaged 906,000 pounds from 1971-74.								
(b) Converted to fresh equivalent on the basis of 0.91 lb. fresh per 1 lb. canned product.								
(c) Converted to fresh equivalent on the basis of 1.05 lb. fresh per 1 lb. frozen product.								
(d) Converted to fresh equivalent on the basis of 1.11 lb. fresh per 1 lb. preserved product.								
(e) Tariff Board estimate.								
(f) Includes small volumes of re-exports.								
(g) Three-year average excluding 1961 and 1962.								
(h) Includes imported fresh cherries for processing.								

- (a) Excludes sweet cherries in candied or glazed form, entered under tariff item 10535-1, estimated volume in this form averaged 906,000 pounds from 1971-74.
- (b) Converted to fresh equivalent on the basis of 0.91 lb. fresh per 1 lb. canned product.
- (c) Converted to fresh equivalent on the basis of 1.05 lb. fresh per 1 lb. frozen product.
- (d) Converted to fresh equivalent on the basis of 1.11 lb. fresh per 1 lb. preserved product.
- (e) Tariff Board estimate.
- (f) Includes small volumes of re-exports.
- (g) Three-year average excluding 1961 and 1962.
- (h) Includes imported fresh cherries for processing.

Source: Derived from Statistics Canada, Agriculture Canada and the Tariff Board data.

Cherries (Sour): Number of Trees, Acres and Farms Reporting, by Province and Region, 1961 and 1971

	1961				1971			
	No. of Farms Reporting	Number of Trees			No. of Farms Reporting	Number of Trees		
		Total	Under 5 yrs.	Over 5 yrs.		Total	Under 5 yrs.	Over 5 yrs.
<u>Atlantic Region</u>								
Nfld.	298	2,173	338	1,835	131	2,662	463	2,199
P.E.I.	4	29	2	27	-	-	-	-
N.S.	14	741	31	710	7	446	141	305
N.B.	232	1,112	272	840	113	2,040	307	1,733
	48	291	33	258	11	176	15	161
<u>Central Region</u>								
Que.	4,135	369,553	90,529	279,024	2,244	361,229	79,945	281,284
Ont.	195	1,891	273	1,618	78	1,057	440	617
	3,940	367,662	90,256	277,406	2,166	360,172	79,505	280,667
<u>Western Region</u>								
Man.	1,084	18,452	9,605	8,847	750	38,597	14,474	24,123
Sask.	32	1,659	489	1,170	16	1,025	899	126
Alta.	34	509	223	286	18	2,432	2,148	284
B.C.	20	717	431	286	24	2,432	1,181	1,251
	998	15,567	8,462	7,105	692	32,708	10,246	22,462
Canada (a)	5,517	390,178	100,472	289,706	3,125	402,488	94,882	307,606
								4,444

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Cherries (Sweet): Number of Trees, Acres and Farms Reporting, by Province and Region, 1961 and 1971

	1961			1971		
	No. of Farms Reporting	Number of Trees		No. of Farms Reporting	Number of Trees	
		Total	Over 5 yrs.		Under 5 yrs.	Over 5 yrs.
<u>Atlantic Region</u>						
Nfld.	468	2,964	794	174	2,140	1,543
P.E.I.	3	14	2	1	6	6
N.S.	22	173	132	8	218	102
N.B.	382	2,145	363	154	1,880	1,413
	61	632	297	11	36	22
<u>Central Region</u>						
Que.	4,355	169,040	39,688	2,368	192,812	149,884
Ont.	808	8,008	3,151	251	3,686	1,793
	3,547	161,032	36,537	2,117	189,126	148,091
<u>Western Region</u>						
Man.	3,687	196,183	77,458	2,551	210,820	154,065
Sask.	44	983	766	23	1,658	301
Alta.	47	1,449	1,231	27	474	174
B.C.	21	663	415	23	264	123
	3,575	193,088	75,046	2,478	208,424	153,467
Canada (a)	8,510	368,187	117,940	5,093	405,772	305,492
			250,247		100,280	5,324

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.



Appendix Table 6

Cherries (Sour): Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	*	*	-	-	-	-	-	-
Feb.	-	-	2	0.5	3	-	2	4
Mar.	*	*	17	4.5	-	82	-	2
Apr.	-	-	*	*	-	-	-	1
May	6	2.6	16	4.3	54	17	7	*
June	112	49.4	132	35.6	133	162	181	169
July	66	29.0	81	21.7	4	60	122	168
Aug.	37	16.1	113	30.5	407	46	68	44
Sept.	-	-	2	0.6	-	3	7	1
Oct.	6	2.8	-	-	-	-	-	-
Nov.	-	-	8	2.1	-	-	39	-
Dec.	-	-	1	0.1	-	2	*	*
Total	227	100.0	371	100.0	601	373	427	388

Source: Customs documents, tabulated by Statistics Canada.

Appendix Table 7

Cherries (Sweet): Estimated Monthly Distribution of Fresh Shipments, (a) 1966-1974

	<u>Average</u> <u>1966-70</u>	<u>Average</u> <u>1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
- thousand pounds -						
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	491	495	877	119	967	15
July	10,598	14,662	17,509	12,258	14,508	14,372
Aug.	331	656	687	860	645	430
Sept.	-	-	-	-	-	-
Oct.	-	-	-	-	-	-
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
	11,420	15,812	19,073	13,238	16,120	14,816

(a) Domestic production for fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 8

Cherries (Sweet): Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	3	0.1	*	*	-	-	-	1
Feb.	-	-	7	0.1	3	-	4	27
Mar.	-	-	-	-	-	-	-	-
Apr.	-	-	-	-	-	-	-	-
May	67	1.3	224	2.0	563	265	232	7
June	2,272	44.9	4,619	40.2	3,501	7,683	4,496	4,182
July	2,156	42.6	4,582	39.9	3,126	4,866	6,143	5,644
Aug.	508	10.0	1,960	17.1	574	2,148	3,919	1,033
Sept.	45	0.9	72	0.6	-	104	98	14
Oct.	10	0.2	8	0.1	-	-	40	1
Nov.	-	-	-	-	-	-	-	-
Dec.	-	-	2	*	-	4	1	4
Total	5,062	100.0	11,474	100.0	7,767	15,071	14,934	10,912

Source: Customs documents, tabulated by Statistics Canada.

Appendix Table 9

Cherries (Sweet): Estimated Monthly Distribution of Fresh Market Consumption, 1961-1974

	<u>Average</u> <u>1966-70</u>	<u>Average 1971-74</u>			
	<u>Imports as</u> <u>% of Con-</u> <u>sumption</u>	<u>From</u> <u>Domestic</u> <u>Produc-</u> <u>tion</u>	<u>From</u> <u>Imports</u>	<u>Total</u> <u>Consump-</u> <u>tion</u>	<u>Imports as</u> <u>% of Con-</u> <u>sumption</u>
	per cent	- thousand pounds -			per cent
Jan.	100.0	-	*	*	100.0
Feb.	-	-	1	1	100.0
Mar.	-	-	-	-	-
Apr.	-	-	-	-	-
May	100.0	-	228	228	100.0
June	81.2	495	3,851	4,346	88.6
July	15.9	14,662	3,439	18,100	19.0
Aug.	58.9	656	1,716	2,372	72.3
Sept.	100.0	-	69	69	100.0
Oct.	100.0	-	7	7	100.0
Nov.	-	-	-	-	-
Dec.	-	-	1	1	100.0
Total	29.2	15,812	9,313	25,124	37.1

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 10

Cherries (Sweet & Sour)<sup>(a)</sup>: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Chile</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -			
1966	4,922	1	-	4,924
1967	3,590	1	-	3,591
1968	4,080	-	-	4,080
1969	8,180	5	3	8,188
1970	5,661	2	-	5,663
Average 1966-70	5,287	1	1	5,289
1971	8,717	1	36	8,754
1972	8,354	6	8	8,368
1973	15,438	-	6	15,444
1974	15,356	4	-	15,360
1975	11,271	28	1	11,300
Average 1971-75	11,827	8	10	11,845

(a) Includes only minor volumes of sour cherries.

Source: Statistics Canada.

Appendix Table 11

Cherries (Sweet & Sour)<sup>(a)</sup>: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	56	99	81	186	137	197
Nfld.	*	-	1	7	*	1
P.E.I.	1	5	1	4	3	5
N.S.	26	28	33	59	49	65
N.B.	29	67	47	116	84	126
Central Region	3,755	5,823	5,844	10,395	8,713	8,536
Que.	2,084	3,230	2,790	4,744	4,242	4,254
Ont.	1,671	2,593	3,053	5,650	4,470	4,283
Western Region	1,477	2,832	2,444	4,863	6,511	2,567
Man.	126	179	191	357	311	268
Sask.	75	190	120	321	281	291
Alta.	267	379	251	599	539	593
B.C.	1,009	2,085	1,882	3,586	5,380	1,415
Canada	5,289	8,754	8,368	15,444	15,360	11,300

(a) Includes only minor volumes of sour cherries.

Source: Statistics Canada.

Appendix Table 12

Cherries (Sweet)<sup>(a)</sup>: Percentage Distribution of Fresh Market Imports from United States, by State of Origin, by Region, 1972-1974

	<u>California</u>	<u>Washington</u>	<u>Oregon</u>	<u>Other</u>	<u>Total</u>
	- per cent -				
<u>1972</u>					
Maritime Region	38.5	57.7	3.8	-	100.0
Central Region	55.1	35.2	6.4	3.3	100.0
Western Region	54.3	44.8	-	1.0	100.0
Canada	54.9	36.8	5.4	3.0	100.0
<u>1973</u>					
Maritime Region	47.5	42.5	10.0	-	100.0
Central Region	43.6	45.6	1.7	9.0	100.0
Western Region	30.6	69.4	-	-	100.0
Canada	40.4	51.6	1.4	6.7	100.0
<u>1974</u>					
Maritime Region	45.5	54.5	-	-	100.0
Central Region	45.4	47.1	0.6	6.9	100.0
Western Region	55.9	42.7	1.4	-	100.0
Canada	47.5	46.2	0.8	5.5	100.0

(a) Includes small quantities of sour cherries.

Source: Agriculture Canada.

Appendix Table 13

Cherries (Sweet and Sour)<sup>(a)</sup>: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>United Kingdom</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -			
1966	2,017	-	-	2,017
1967	3,016	190	-	3,206
1968	3,477	-	-	3,477
1969	422	*	1	423
1970	616	-	-	616
Average 1966-70	1,910	38	*	1,948
1971	392	-	*	392
1972	46	-	1	47
1973	559	-	-	559
1974	-	11	7	18
1975	160	-	-	160
Average 1971-75	231	2	2	235

(a) Exports of sour cherries are negligible.

Source: Agriculture Canada.

Cherries (Sweet): Weekly Wholesale to Retail Prices, at Halifax, Montreal, Toronto, Winnipeg and Vancouver, 1974

[illegible]

Note: Survey quotations are priced by the package. The following weights have been used to calculate the price per pound:

- California: 18-lb. lug  
Washington 20-lb. pack  
Ontario 22-lb. 4 x 4 qt. baskets  
B.C. 20-lb. pack  
(a) 6 qt., 8.3 pounds.

Source: Agriculture Canada.

Cherries (Sweet): Total Landed Cost; Cost f.o.b.; Freight,  
 Brokerage and Other Costs; Cost of Duty;  
 Toronto; Selected Data by Month, 1972 and 1974

<u>Month of Shipment</u>	<u>Source</u>	<u>Cost f.o.b.</u>	<u>Cost of Freight</u>	<u>Duty Paid</u>	<u>Total Landed Cost</u>
- cents per pound -					
<u>1972</u>					
May	California	67.1	22.7 <sup>(a)</sup>	6.5	96.3
	"	70.8	18.7 <sup>(a)</sup>	6.9	96.5
June	"	45.3	4.4	4.5	54.2
	Washington	56.1	4.3	5.6	66.0
	"	55.8	6.4	5.6	67.8
	"	56.1	4.3	5.6	66.0
	"	45.3	5.1	4.5	54.9
<u>1974</u>					
June	California	51.5	6.6	5.1	63.2
	Washington	37.9	4.6	3.8	46.3

(a) Air cargo shipment.

Source: Tariff Board survey.



Cherries (Sweet): Total Landed Cost; Cost f.o.b.; Freight,  
 Brokerage and Other Costs; Cost of Duty;  
 Montreal, Winnipeg and Vancouver;  
 Selected Data by Month, 1974

<u>Month of Shipment</u>	<u>Source</u>	<u>Cost f.o.b.</u>	<u>Cost of Freight</u>	<u>Duty Paid</u>	<u>Total Landed Cost</u>
- cents per pound -					
<u>Montreal</u>					
June	Washington	50.4	7.6	5.0	63.1
July	"	43.6	6.4	4.4	54.3
<u>Winnipeg</u>					
May	California	73.1	5.2	7.3	85.6
	"	56.4	4.7	5.7	66.8
	"	45.3	5.9	4.5	55.7
June	"	56.4	4.7	5.7	66.8
	"	50.8	4.8	5.1	60.7
	"	50.8	5.1	5.1	61.0
	"	61.1	5.7	6.1	72.9
	Washington	50.0	3.1	5.0	58.1
	"	47.5	3.1	4.8	55.4
<u>Vancouver</u>					
May	California	75.0	2.1	7.5	84.6
	"	73.1	2.0	7.3	82.4
	"	50.8	1.3	5.1	57.3
	"	49.1	3.2	4.9	57.1
	"	48.1	2.3	4.8	55.2
	"	50.8	2.4	5.1	58.4
June	"	50.0	3.1	5.0	58.1
	"	51.4	3.2	5.2	59.7
	"	57.8	7.3	5.8	70.8
	Washington	55.9	6.6	5.6	68.1
	"	44.8	5.9	4.5	55.3
July	"	39.3	5.1	3.9	48.3

Source: Tariff Board survey.

Appendix Table 16a

Cherries (Sour): Production, Farm Value and Farm Value  
per Pound, United States, by States,  
1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -						
Michigan		178,000	214,000	116,000	206,000	178,500
New York		41,000	29,200	20,400	16,200	26,700
Oregon		10,000	1,800	7,200	4,200	5,800
Pennsylvania		15,200	11,100	6,300	13,100	11,425
Utah		13,400	1,300	17,000	11,600	10,825
Wisconsin		16,700	9,160	4,800	10,400	10,265
Other States		<u>4,220</u>	<u>1,800</u>	<u>2,340</u>	<u>3,100</u>	<u>2,865</u>
Total	234,944	278,520	268,360	174,040	264,600	246,380
- Farm Value \$'000 -						
Michigan		17,622	17,227	22,620	37,801	23,818
New York		4,080	2,424	3,611	3,167	3,321
Oregon		945	184	1,004	657	698
Pennsylvania		1,786	955	1,244	2,600	1,646
Utah		1,079	133	2,839	2,152	1,551
Wisconsin		1,745	811	994	1,888	1,360
Other States		<u>432</u>	<u>200</u>	<u>464</u>	<u>616</u>	<u>428</u>
Total	27,865	27,689	21,934	32,776	48,881	32,820
- Farm Value ¢ per lb. -						
Michigan		9.9	8.1	19.5	18.4	13.3
New York		10.0	8.3	17.7	19.6	12.4
Oregon		9.5	10.2	13.9	15.6	12.0
Pennsylvania		11.8	8.6	19.7	19.8	14.4
Utah		8.1	10.2	16.7	18.6	14.3
Wisconsin		10.4	8.9	20.7	18.2	13.2
Other States		10.2	11.1	19.8	19.9	14.9
Total	11.9	9.9	8.2	18.8	18.5	13.3

Source: U.S. Department of Agriculture.

Appendix Table 16b

Cherries (Sour): Fresh Market Production, Farm Value and  
Farm Value per Pound, United States, by  
States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
Michigan	4,000	3,000	900	2,000	2,475
Oregon	800	(a)	800	600	733 <sup>(b)</sup>
Pennsylvania	3,420	680	380	900	1,345
Other States	<u>3,020</u>	<u>(a)</u>	<u>3,180</u>	<u>920</u>	<u>2,373</u> <sup>(b)</sup>
Total	11,240	6,160	5,260	4,420	6,770
- Farm Value, \$'000 <sup>(c)</sup> -					
Michigan	440	270	198	410	330
Oregon	80	(a)	110	81	90 <sup>(b)</sup>
Pennsylvania	479	97	68	203	212
Other States	<u>361</u>	<u>(a)</u>	<u>523</u>	<u>212</u>	<u>365</u> <sup>(b)</sup>
Total	1,360	770	899	906	984
- Farm Value, ¢ per lb. -					
Michigan	11.0	9.0	22.0	20.5	13.3
Oregon	10.0	14.8	13.8	13.5	12.3 <sup>(b)</sup>
Pennsylvania	14.0	14.2	17.8	22.5	15.8
Other States	12.0	(a)	16.4	23.0	15.4 <sup>(b)</sup>
Total	12.1	12.5	17.1	20.5	14.5

(a) Confidential, included in total.

(b) Three-year average excluding 1972.

(c) Farm value is calculated on the basis of reported price per ton  
for fresh and processing markets.

Source: U.S. Department of Agriculture.

Appendix Table 16c

Cherries (Sour): Processing Market Production, Farm Value  
and Farm Value per Pound, United States,  
by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
- Production, '000 lb. -					
Michigan	174,000	211,000	115,100	204,000	176,025
Oregon	9,200	(a)	6,400	3,600	6,400 <sup>(b)</sup>
Pennsylvania	11,780	10,420	5,920	12,200	10,080
Other States	<u>72,300</u>	<u>(a)</u>	<u>41,360</u>	<u>40,380</u>	<u>51,347</u> <sup>(b)</sup>
Total	267,280	262,200	168,780	260,180	239,610
- Farm Value, \$'000 <sup>(c)</sup> -					
Michigan	17,139	16,986	22,445	37,434	23,501
Oregon	865	(a)	896	576	779 <sup>(b)</sup>
Pennsylvania	1,308	860	1,175	2,397	1,435
Other States	<u>7,015</u>	<u>(a)</u>	<u>7,383</u>	<u>7,336</u>	<u>7,245</u> <sup>(b)</sup>
Total	26,327	21,238	31,899	47,743	31,802
- Farm Value, ¢ per lb. -					
Michigan	9.9	8.1	19.5	18.4	13.4
Oregon	9.4	7.9	14.0	16.0	12.2 <sup>(b)</sup>
Pennsylvania	11.1	8.3	19.9	19.6	14.2
Other States	9.7	(a)	17.9	18.2	14.1 <sup>(b)</sup>
Total	9.8	8.1	18.9	18.3	13.3

(a) Confidential, included in total.

(b) Three-year average excluding 1972.

(c) Farm value is calculated on the basis of reported price per ton for fresh and processing markets.

Source: U.S. Department of Agriculture.

Appendix Table 17a

Cherries (Sweet): Production, Farm Value and Farm Value per  
Pound, United States, by States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -						
California		64,000	40,000	80,000	56,000	60,000
Michigan		47,000	56,000	32,000	51,000	46,500
New York		13,000	9,000	6,800	3,200	8,000
Oregon		65,400	38,400	74,000	67,000	61,200
Utah		9,200	-	13,000	10,000	8,050
Washington		67,800	42,400	91,000	90,000	72,800
Other States		<u>13,580</u>	<u>4,280</u>	<u>10,460</u>	<u>9,900</u>	<u>9,555</u>
Total	224,201	279,980	190,080	307,260	287,100	266,105
- Farm Value, \$'000 -						
California		13,568	11,440	17,600	19,180	15,447
Michigan		4,489	5,460	4,480	9,180	5,902
New York		1,599	905	1,166	677	1,087
Oregon		8,927	8,333	11,470	12,496	10,307
Utah		1,118	-	2,035	1,695	1,212
Washington		11,526	9,328	16,562	18,495	13,978
Other States		<u>2,988</u>	<u>1,116</u>	<u>3,082</u>	<u>2,587</u>	<u>2,443</u>
Total	42,587	44,215	36,582	56,395	64,310	50,376
- Farm Value, ¢ per lb. -						
California		21.2	28.6	22.0	34.3	25.7
Michigan		9.6	9.8	14.0	18.0	12.7
New York		12.3	10.1	17.1	21.2	13.6
Oregon		13.6	21.7	15.5	18.7	16.8
Utah		12.2	-	15.7	17.0	15.1
Washington		17.0	22.0	18.2	20.6	19.2
Other States		22.0	26.1	29.5	26.1	25.6
Total	19.0	15.8	19.2	18.4	22.4	18.9

Source: U.S. Department of Agriculture.

Appendix Table 17b

Cherries (Sweet): Fresh Market Production, Farm Value and Farm Value per Pound, United States, by States, 1971-1974.

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
California	42,000	28,000	52,800	40,600	40,850
Oregon	15,600	17,000	18,000	13,000	15,900
Washington	55,200	31,400	71,800	61,600	55,000
Other States	<u>24,454</u>	<u>6,936</u>	<u>23,078</u>	<u>17,972</u>	<u>18,110</u>
Total	137,254	83,336	165,678	133,172	129,860
- Farm Value, \$'000 <sup>(a)</sup> -					
California	10,626	9,548	13,596	15,834	12,401
Oregon	2,597	5,211	3,069	2,808	3,421
Washington	10,019	8,164	14,324	14,291	11,700
Other States	<u>4,552</u>	<u>1,828</u>	<u>5,460</u>	<u>4,422</u>	<u>4,066</u>
Total	27,794	24,751	36,449	37,355	31,587
- Farm Value, ¢ per lb. -					
California	25.3	34.1	25.8	39.0	30.4
Oregon	16.6	30.7	17.1	21.6	21.5
Washington	18.2	26.0	19.9	23.2	21.3
Other States	18.6	26.4	23.7	24.6	22.5
Total	20.3	29.7	22.0	28.1	24.3

(a) Farm value is calculated on the basis of reported price per ton for fresh and processing markets.

Source: U.S. Department of Agriculture.



Cherries (Sweet): Processing Market Production, Farm Value  
and Farm Value per Pound, United States,  
by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
California	22,000	12,000	27,200	15,400	19,150
Michigan	44,000	53,600	30,000	48,600	44,050
Oregon	49,800	21,400	56,000	54,000	45,300
Washington	12,600	11,000	19,200	28,400	17,800
Other States	<u>14,326</u>	<u>8,744</u>	<u>9,182</u>	<u>7,528</u>	<u>9,945</u>
Total	142,726	106,744	141,582	153,928	136,245
- Farm Value, \$'000 <sup>(a)</sup> -					
California	2,948	1,890	3,985	3,303	3,032
Michigan	4,004	5,038	4,065	8,505	5,403
Oregon	6,325	3,114	8,400	9,693	6,883
Washington	1,512	1,172	2,246	4,217	2,287
Other States	<u>1,339</u>	<u>795</u>	<u>1,196</u>	<u>1,219</u>	<u>1,137</u>
Total	16,128	12,009	19,892	26,937	18,742
- Farm Value, ¢ per lb. -					
California	13.4	15.8	14.7	21.4	15.8
Michigan	9.1	9.4	13.6	17.5	12.3
Oregon	12.7	14.6	15.0	18.0	15.2
Washington	12.0	10.7	11.7	14.8	12.8
Other States	9.3	9.1	13.0	16.2	11.4
Total	11.3	11.3	14.0	17.5	13.8

(a) Farm value is calculated on the basis of reported price per ton for fresh and processing markets.

Source: U.S. Department of Agriculture.

Cherries (Sour): Dates of Application and Removal of the Seasonal,  
Specific Duty, by Tariff Region, 1966-1975

Year	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	July 12	Sept. 20	70	-	-	-
1967	-	-	-	July 7	Sept. 15	70	-	-	-
1968	-	-	-	July 5	Sept. 13	70	-	-	-
1969	-	-	-	July 9	Sept. 17	70	-	-	-
1970	-	-	-	July 9	Sept. 17	70	July 22	Sept. 30	70
1971	July 22	Sept. 29	69	July 15	Aug. 31	46	July 15	Sept. 22	69
1972	July 21	Sept. 29	70	July 11	Sept. 19	70	Aug. 1	Oct. 10	70
1973	July 20	Aug. 3	14	July 19	Sept. 27	70	July 13	Sept. 21	70
1974	July 26	Oct. 3	69	July 17	Sept. 24	69	-	-	-
1975	July 29	Oct. 6	69	July 15	Sept. 22	69	-	-	-

- (a) Government fiscal year commencing April 1st; ending March 31st of following year.  
 (b) Includes Quebec and Ontario east of Thunder Bay, Ontario.  
 (c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Cherries (Sweet): Dates of Application and Removal of the Seasonal,  
Specific Duty, by Tariff Region, 1966-1975

Year (a)	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	-	-	-	-	-	-
1967	-	-	-	-	-	-	-	-	-
1968	-	-	-	-	-	-	-	-	-
1969	-	-	-	July 10	Aug. 28	49	-	-	-
1970	-	-	-	-	-	-	-	-	-
1971	-	-	-	-	-	-	-	-	-
1972	-	-	-	-	-	-	-	-	-
1973	-	-	-	June 22	Aug. 10	49	June 14	Aug. 2	49
1974	-	-	-	-	-	-	-	-	-
1975	-	-	-	-	-	-	-	-	-

(a) Government fiscal year commencing April 1st; ending March 31st of following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.

## Cherries (Sweet): Imported f.o.b. prices, by Month, 1966-75

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	- cents per pound -												
1966	32.4	-	-	-	33.5	32.1	30.7	26.1	30.7	25.0	-	-	30.5
1967	46.0	-	-	-	-	39.5	34.3	27.8	23.4	-	-	-	33.9
1968	24.1	-	-	-	38.1	34.7	35.5	36.2	-	-	-	-	35.2
1969	39.7	-	-	-	38.4	33.0	19.8	24.3	-	-	-	-	25.6
1970	36.7	-	-	-	45.9	34.5	32.3	30.1	-	-	-	-	33.5
Average													
1966-70	35.3	-	-	-	39.0	34.0	27.6	28.9	30.4	25.0	-	-	30.8
1971	55.9	-	-	-	54.1	32.3	27.2	21.5	14.4	-	-	46.3	27.7
1972	-	-	-	-	46.5	40.4	33.5	34.7	-	-	-	-	37.6
1973	-	-	-	-	48.4	34.7	30.9	25.6	29.0	-	-	141.9	32.4
1974	-	48.9	-	-	62.6	46.0	35.4	23.2	27.0	35.6	-	-	35.8
1975	161.4	43.0	-	-	44.4	46.2	41.5	36.0	52.5	35.8	-	63.6	42.8
Average													
1971-75	88.2	43.7	-	-	50.6	39.5	34.6	25.3	23.6	35.6	-	102.9	35.2

Source: Customs documents, tabulated by Statistics Canada.

CRANBERRIESTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	123
Production and Farm Value .....	125
Supply and Disposition .....	125
Imports .....	127
Exports .....	127
Prices .....	127
Canada-United States Comparisons .....	128
Tariff Considerations .....	129
Conclusions .....	130
Recommendations .....	130
Appendix Tables .....	131



### CRANBERRIES

Cranberries are the fruit of small creeping or trailing woody plants allied to blueberries. They are classified into two main varieties, the small or northern kind (Vaccinium oxycoccos) found in marshy land in northern North America, northern Asia, and northern and central Europe; and the large American type (Vaccinium macrocarpon) found wild in North America. The V. oxycoccos variety is mostly round, about the size of currants, crimson, often spotted and is acidulous in flavour. The V. macrocarpon variety is more robust, larger and round, oblong or pear-shaped. Its colour varies from pink to very dark red and it can also be mottled red and white. Large cranberries are native to peat and bog areas and their commercial cultivation is almost entirely confined to North America.

In Canada, cultivation began in 1870 when William MacNeil of Annapolis County, Nova Scotia, planted a small area on the edge of a peat bog. Today, cranberries are produced in every Atlantic province and in British Columbia.

The fruit is harvested from September to November and marketed as late as January. Consumed fresh or processed, cranberries are used in turkey stuffing, pies, sauces, jellies, relishes, fruit salads, fruit moulds and in many combinations with apples, oranges and other fruits.

In Canada, annual average per capita consumption in 1971-74 was 0.21 pound. Each year, about 10 million pounds are grown with a farm value of slightly more than \$1.1 million.

### GROWING, HARVESTING AND MARKETING

The cranberry grows in swampy areas and can stand being submerged for a long period without injury. The fruit thrives best where summers are cool as fungus diseases present a serious problem in warm areas.

Growers usually obtain vine cuttings for new plantings and set them about 6 inches apart. The plant takes four to six years to mature and bears fruit for an indefinite period.

To reduce labour costs and harvest time, saving the fruit from frost damage, cranberries are now picked by machines. Several types of mechanical pickers are used, varying from scooping machines to vacuum pickers that are self-powered and usually operated by one man. Conveyors then transport the berries to boxes or canvas bags. One machine can harvest about one-half an acre in a day.

Almost all fresh market cranberries are packed at the point of shipping into 1-pound containers - either window boxes or film bags. The packing is performed by automatic high-speed machines that weigh the berries, fill the containers and seal the tops for packing in shipping cases. Packing machines for 1-pound window boxes turn out about 50 cartons a minute. The folded boxes are automatically opened, filled, sealed and made ready for the fresh produce market.



A large part of the cranberry crop is stored. If the storage time is to be long, the berries are generally held "in the chaff" - picking crates that come from the field - and are pre-cooled. They can usually be stored up to three months under ideal conditions. The desirable storage temperature is 2°C to 4°C, depending on maturity and variety.

Table 1: Cranberries: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Nfld.	-	-	-	-	-	140	35	..
P.E.I.	57 <sup>(a)</sup>	18 <sup>(b)</sup>	90	30	35	-	39	- 31.6
N.S.	160 <sup>(a)</sup>	115 <sup>(c)</sup>	119	160	119	90	122	- 23.8
N.B.	44 <sup>(a)</sup>	-	-	-	-	-	-	- 100.0
B.C.	770	3,175	10,365	7,656	11,505	9,184	9,678	+1,156.9
Canada	978	3,251	10,574	7,846	11,659	9,414	9,873	+ 909.5
- Farm Value, \$'000 -								
Nfld.	-	-	-	-	-	60	15	..
P.E.I.	6 <sup>(a)</sup>	2 <sup>(b)</sup>	9	5	4	-	5	- 16.7
N.S.	18 <sup>(a)</sup>	29 <sup>(c)</sup>	23	30	29	23	26	+ 44.4
N.B.	5 <sup>(a)</sup>	-	-	-	-	-	-	- 100.0
B.C.	128	460	933	919	1,553	974	1,095	+ 755.5
Canada	152	478	965	954	1,586	1,057	1,141	+ 650.7
- Farm Value, ¢ per lb. -								
Nfld.	-	-	-	-	-	42.9	42.9	..
P.E.I.	10.5 <sup>(a)</sup>	11.1 <sup>(b)</sup>	10.0	16.7	11.4	-	12.8	+ 21.9
N.S.	11.3 <sup>(a)</sup>	25.2 <sup>(c)</sup>	19.3	18.8	24.4	25.6	21.3	+ 88.5
N.B.	11.4 <sup>(a)</sup>	-	-	-	-	-	-	- 100.0
B.C.	16.6	14.5	9.0	12.0	13.5	10.6	11.3	- 31.9
Canada	15.5	14.7	9.1	12.2	13.6	11.2	11.6	- 25.2

(a) Four-year average excluding 1965.

(b) Two-year average excluding 1966-1968.

(c) Three-year average excluding 1967 and 1968.

Source: Statistics Canada.

### PRODUCTION AND FARM VALUE

Commercial production is concentrated in British Columbia while small volumes are grown in Nova Scotia and Prince Edward Island and, from time to time, in Newfoundland and New Brunswick. Output in Canada has increased greatly during the review period from an annual average of 978,000 pounds in 1961-65 to 9.9 million pounds during 1971-74. Almost all of the increase took place in British Columbia which accounted for 98 per cent of the Canadian total in 1974.

The total farm value increased from an annual average of \$152,000 in 1961-65 to \$1.1 million in 1971-74. However, average farm values declined during this period because Canadian production had become more concentrated in large-scale enterprises in British Columbia. During 1971-74, the farm value per pound averaged 11.6 cents compared with 15.5 cents during 1961-65.

### SUPPLY AND DISPOSITION

Almost the entire B.C. cranberry crop is exported, a pattern that has existed since 1970. Before that, a large share of the harvest was processed in eastern Canada where requirements are now met by U.S. imports. Thus, almost all Canadian cranberries are exported while those consumed here are almost entirely imported.

Exports have increased rapidly in line with production - from 1.2 million pounds during 1966-70 to 9.6 million pounds in 1971-74 (see Table 2). In 1971-74, exports accounted for better than 95 per cent of production.

Total consumption averaged 4.6 million pounds annually in 1971-74, compared with 5.4 million pounds in 1961-65. However, consumption in the processed form has increased while fresh market consumption has declined.<sup>(1)</sup> The volume of cranberries grown outside British Columbia and available for processing is small. In 1971-74, more than 90 per cent of Canadian consumption was imported. Inasmuch as the cranberry season in the main U.S. producing areas and in Canada is about the same, the bulk of fresh imports enter during the Canadian production season, i.e., from September to December. Import volumes are usually largest during October and December in time for Thanksgiving and Christmas.

---

(1) It should be noted that total consumption and particularly consumption in the processed form are probably understated, in that, imports of processed cranberries are excluded. There is, however, no information on such imports, even though, as suggested by the declining volume of processing in Canada, such imports have probably increased in recent years.

Table 2: Cranberries: Supply and Disposition, Canada 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
				- '000 lb. -				
<u>Total Production</u>	978	3,251	10,574	7,846	11,659	9,414	9,873	+909.5
<u>Total Imports</u>								
Fresh	4,419	2,979	4,252	4,771	4,129	4,173	4,331	- 2.0
Processed	4,419	2,979	4,252	4,771	4,129	4,173	4,331	- 2.0
	..	..	..	..	..	..	..	..
<u>Total Supply Available</u>	5,397	6,230	14,826	12,617	15,788	13,587	14,204	+163.2
<u>Total Exports (Fresh)</u>	-	1,156	10,200	7,441	11,505	9,184	9,583	..
<u>Total Domestic Disappearance</u>	5,397	5,074	4,626	5,176	4,283	4,403	4,621	- 14.6
Consumed in processed form	2,227	3,462	3,385	3,787	2,333	1,609	2,778	+ 24.7
From domestic production	770	2,019	165	215	-	-	95	- 87.7
Imported processed	..	..	..	..	..	..	..	..
Imported fresh (a)	1,457	1,443	3,220	3,572	2,333	1,609	2,683	+ 84.1
Fresh market consumption	3,170	1,612	1,241	1,389	1,950	2,794	1,843	- 41.9
From domestic production	208	76	209	190	154	230	195	- 6.2
Imported (a)	2,962	1,536	1,032	1,199	1,796	2,564	1,648	- 44.4

(a) Tariff Board estimate.

Source: Derived from Statistics Canada, Agriculture Canada, B.C. Dept. of Agriculture and the Tariff Board estimates.

### IMPORTS

All imports of fresh cranberries come from the United States. In 1975, 3,000 pounds came from Chile but this was only a small sample. The main U.S. source is Massachusetts followed by Wisconsin and Washington (see Appendix Table 7). In 1974, Massachusetts supplied 88.3 per cent of all fresh cranberry imports, Wisconsin 11.2 per cent, and Washington 0.5 per cent.

In 1975, Ontario and Quebec equally shared some 72.0 per cent of total fresh imports which included a considerable volume of cranberries for processing. The Board estimated that during 1971-74 such imports averaged 2.7 million pounds. Imports into the western region were a little less than 20 per cent and, into the Atlantic region, slightly more than 8.0 per cent (see Appendix Table 5). In 1974, all imports into the Atlantic and central regions came from Massachusetts. Imports into the western region came mainly from Wisconsin and to a lesser extent from Massachusetts and Washington.

### EXPORTS

Canadian exports of cranberries have risen rapidly from an average of less than 1 million pounds in 1961-65 to an average of some 9.6 million pounds in 1971-74. The growth in exports is in line with the expansion in B.C. cranberry production, almost all of which is exported to the United States.

### PRICES

The average farm value per pound of cranberries produced in Canada declined during the review period. This decline has been greatly influenced by the efficient British Columbia industry. In 1974, average farm values of 10.6 cents per pound mainly reflected prices received for processing cranberries. British Columbia production goes almost entirely for processing in the United States while cranberries grown in other areas are more for the fresh market and likely bring a higher price. The Board could not obtain data to illustrate the difference in existing prices between the two uses.

Average wholesale-to-retail prices for domestic and imported cranberries for 1974 in Halifax, Montreal, Toronto, Winnipeg, and Vancouver (see Table 3), confirm that supplies of domestic fresh cranberries were small in Montreal and Toronto - at least there were no price quotations for the domestic product. When there were price quotations for both, as was the case in Winnipeg, Halifax, and Vancouver, prices for the local product were often lower.

Table 3: Average Wholesale-to-Retail Prices for Domestic and Imported Cranberries in Halifax, Montreal, Toronto, Winnipeg, and Vancouver, 1974(a)

	<u>Halifax</u>		<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>
- ¢ per lb. -										
Jan.	-	38.3	-	31.8	-	29.7	-	34.7	-	37.9
Feb.	-	40.1	-	-	-	-	-	-	-	-
Mar.	-	-	-	-	-	-	-	-	-	-
Apr.	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-
Aug.	-	-	-	-	-	-	-	-	-	-
Sept.	-	40.0	-	28.7	-	29.7	-	32.3	28.7	-
Oct.	33.3	38.0	-	27.6	-	28.6	30.4	31.4	31.0	-
Nov.	33.3	37.8	-	31.8	-	33.4	30.5	30.9	35.1	38.5
Dec.	33.3	40.0	-	34.0	-	33.4	-	36.1	-	-

(a) As based on a price per pound comparison of 24-pound cartons or cello packages.

Source: Appendix Table 8.

Information on the landed cost of imports and a breakdown into f.o.b. cost, freight and brokerage, and duty paid, was not available.

#### CANADA-UNITED STATES COMPARISONS

U.S. cranberry production averaged 196.7 million pounds in 1971-74 - a volume some 20 times greater than the Canadian total (see Appendix Table 9). However, while U.S. production increased by 18.4 per cent from the 1966-70 average, Canadian output, over the same period, increased by 203.7 per cent.

The total farm value of U.S. production averaged \$25.6 million during 1971-74, compared with \$23.4 million in 1966-70. As in Canada, the average return to the grower dropped also in the United States although the decline was somewhat less. The average farm value of fresh cranberries in the United States was 13.0 cents per pound in 1971-74, compared with 11.6 cents per pound in Canada. In 1966-70, the average value was 14.1 cents in the United States and 14.7 cents in Canada.

Comparative data on unit cost of production for cranberries in Canada and the United States were not available. However, based on average farm values, it appears B.C. growers have roughly the same unit cost of production as U.S. growers.

TARIFF CONSIDERATIONS

Fresh cranberries entering Canada, for fresh market consumption or for processing, are currently dutiable under tariff item 9204-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Cranberries .....	Free	5 p.c.	10 p.c.

This item is bound under GATT and has existed in its present form since 1969. The reductions since 1930 in the rates of duties on cranberries under the Most-Favoured-Nation and General Tariff are shown in Table 4, which includes only those changes, by Statute, Order-in-Council or Trade Agreement, which affected applicable rates of duty. In the table, the rates shown are per cent ad valorem or cents per pound; when a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

Table 4: Cranberries: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free	15 p.c.	20 p.c. (b)
1936, January 1 United States Trade Agreement		15 p.c. (c)	
1939, January 1 United States Trade Agreement		10 p.c. (d)	
1948, January 1 GATT		1 ct. (e) (12 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	1 ct. (12 weeks) or 10 p.c.	1 ct. (12 weeks) or 10 p.c.
1968, January 1 Statutory Change (f)	Free	9 p.c.	10 p.c.
1968, October 10 Order-in-Council		8 p.c.	
1969, January 1 Statutory Change (f)	Free	8 p.c.	10 p.c.
1969, June 4 Statutory Change	Free	5 p.c. (g)	10 p.c.

(a) Applicable to imports from the United States until Dec. 31, 1935.

(b) Not less than  $2\frac{1}{2}$  cents.

(c) Not less than 2 cents.

(d) Not less than  $1\frac{1}{2}$  cents.

(e) Not applied until 1950.

(f) As a result of the Kennedy Round.

(g) By Orders-in-Council, duty suspended and free entry accorded from Sept. 9, 1971 to Mar. 15, 1972 and from Nov. 1, 1974 to Dec. 31, 1974.

Source: Canadian Customs Tariff.



The existing duty is applicable year round, since production and trade take place almost entirely during the period September to December, and, hence, a duty during the off-season does not impose an unnecessary burden on consumers. All imports, therefore, are dutiable except for imports that have entered in recent years during periods for which the duty was temporarily suspended (see Appendix Table 10).

U.S. imports of cranberries from Canada are free of duty and are classified in the Tariff Schedules of the United States Annotated under "Other berries," item 146.62.

The Canadian Horticultural Council proposed originally that the existing duty be removed and that there be duty-free entry under all tariffs. It subsequently changed its position in favour of maintaining the M.F.N. and Gen. rates at their current level. The spokesman for the Council said at the public sittings:

... at this time, what we are proposing is to change our recommendation to remove the duty, to leave the duty as it stands. In other words, we are recommending no change in this item ... (1)

The Canadian Food Processors Association did not make any proposal with respect to cranberries.

The 5 p.c. M.F.N. duty has, based on 1974 f.o.b. unit import values, a specific duty equivalent of just under 1 cent per pound. Unit import values, like average farm values, have declined over the past decade (see Appendix Table 10). Consequently, the specific duty equivalent has also declined.

#### CONCLUSIONS

Production of cranberries increased quite substantially in Canada during the period under review. Production is at present concentrated in British Columbia and has, largely, been exported to the United States. In view of the strong competitive position of the industry, tariff protection would appear unnecessary. Moreover, since Canadian fresh market consumption is almost entirely met by imports the present duty constitutes an unnecessary burden on consumers and processors. Consequently, the Board recommends that the duty be reduced from 5 p.c. M.F.N. and 10 p.c. Gen. to Free. The B.P. rate would remain Free.

#### RECOMMENDATIONS

The Board recommends that tariff item 9204-1 be deleted and replaced with the following:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Cranberries .....	Free	Free	Free

(1) Transcript, Volume 8, p. 1054.



Cranberries: Supply and Distribution Ratios, Canada, 1961-74

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- per cent -						
<u>Per Cent of Domestic Production:</u>							
Sold for Processing	78.7	62.1	1.5	2.7	-	-	0.9
Sold to Domestic Fresh Market	21.3	2.3	2.0	2.4	1.3	2.4	2.0
Exported	-	35.6	96.5	94.8	98.7	97.6	97.1
<u>Total Imports as Per Cent: of Total Supply Available</u>	81.9	47.8	28.7	37.8	26.2	30.7	30.5
<u>Per Cent of Fresh Market Consumption:</u>							
From Domestic Production	6.6	4.7	16.8	13.7	7.9	8.2	10.6
From Imports	93.4	95.3	83.2	86.3	92.1	91.8	89.4
<u>Per Cent Consumed in Processed Form:</u>							
From Domestic Production	34.6	58.3	4.9	5.7	-	-	3.4
Imported Processed	..	..	..	..	..	..	..
Imported Fresh	65.4	41.7	95.1	94.3	100.0	100.0	96.6
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in Processed Form	41.3	68.2	73.2	73.2	54.5	36.5	60.1
Consumed in Fresh Form	58.7	31.8	26.8	26.8	45.5	63.5	39.9

Source: Table 2.

Appendix Table 2

Cranberries: Estimated Monthly Distribution of Fresh Shipments (a) 1966-1974

	<u>Average 1966-70</u>	<u>Average 1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
- thousand pounds -						
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	-	-	-	-	-	-
Aug.	-	-	-	-	-	-
Sept.	-	82	70	64	131	63
Oct.	-	99	139	83	8	167
Nov.	-	11	-	31	13	*
Dec.	76	3	-	12	2	*
	76	195	209	190	154	230

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 3

Cranberries: Estimated Monthly Distribution of Fresh Market Consumption, 1961-1974

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>Average 1971-74</u>			
	<u>Imports as % of Con- sumption</u>	<u>Imports as % of Con- sumption</u>	<u>From Domestic Produc- tion</u>	<u>From Imports</u>	<u>Total Consump- tion</u>	<u>Imports as % of Con- sumption</u>
- per cent -			- thousand pounds -			per cent
Jan.	57.3	-	-	7	7	100.0
Feb.	100.0	-	-	*	*	100.0
Mar.	100.0	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	-	-	-	-	-	-
Aug.	-	-	-	-	-	-
Sept.	100.0	100.0	82	246	328	75.0
Oct.	100.0	100.0	99	580	679	85.4
Nov.	94.1	100.0	11	333	344	96.8
Dec.	88.5	88.3	3	483	487	99.2
Total	93.4	95.3	195	1,648	1,843	89.4

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 4

Cranberries: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Chile</u>	<u>Total</u>
	- thousand pounds -		
1966	3,391	-	3,391
1967	2,512	-	2,512
1968	3,084	-	3,084
1969	2,610	-	2,610
1970	3,296	-	3,296
Average 1966-70	2,979	-	2,979
1971	4,252	-	4,252
1972	4,771	-	4,771
1973	4,129	-	4,129
1974	4,173	-	4,173
1975	3,714	3	3,717
Average 1971-75	4,208	1	4,209

Source: Statistics Canada.

Appendix Table 5

Cranberries: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	236	279	300	293	162	307
Nfld.	1	7	1	10	2	-
P.E.I.	7	3	16	3	8	18
N.S.	103	78	84	85	40	71
N.B.	125	191	199	195	111	219
Central Region	1,956	3,353	3,876	3,222	3,425	2,675
Que.	687	1,906	2,770	2,093	2,197	1,290
Ont.	1,268	1,447	1,106	1,129	1,227	1,385
Western Region	788	620	595	615	587	735
Man.	194	136	190	65	103	145
Sask.	133	96	74	138	114	174
Alta.	231	213	144	78	111	70
B.C.	230	174	186	334	258	346
Canada	2,979	4,252	4,771	4,129	4,173	3,717

Source: Statistics Canada.

Appendix Table 6

Cranberries: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	47	1.6	211	5.0	700	40	78	206
Feb.	1	0.1	20	0.5	4	7	8	72
Mar.	1	*	1	*	-	-	-	6
Apr.	-	-	1	*	-	-	-	4
May	8	0.3	*	*	-	-	-	1
June	1	*	1	*	-	-	-	4
July	49	1.6	*	*	-	-	2	1
Aug.	40	1.4	-	-	-	-	-	-
Sept.	341	11.4	305	7.2	245	387	341	245
Oct.	1,043	35.0	1,708	40.6	1,574	2,071	2,311	1,619
Nov.	441	14.8	746	17.7	1,237	533	474	495
Dec.	<u>1,007</u>	33.8	<u>1,216</u>	28.9	<u>1,012</u>	<u>1,092</u>	<u>960</u>	<u>1,065</u>
Total	2,979	100.0	4,209	100.0	4,771	4,129	4,173	3,717

Source: Statistics Canada.

Appendix Table 7

Cranberries: Percentage Distribution of Fresh Market Imports  
from United States, by State of Origin, by Region,  
1972-1974

	<u>Mass.</u>	<u>Wash.</u>	<u>Wisc.</u>	<u>Others</u>	<u>Total</u>
- per cent -					
<u>1972</u>					
Atlantic Region	100.0	-	-	-	100.0
Central Region	100.0	-	-	-	100.0
Western Region	34.6	-	62.9	2.5	100.0
Canada	75.7	-	23.4	0.9	100.0
<u>1973</u>					
Atlantic Region	100.0	-	-	-	100.0
Central Region	100.0	-	-	-	100.0
Western Region	68.6	2.5	24.0	4.9	100.0
Canada	92.2	0.6	6.0	1.2	100.0
<u>1974</u>					
Atlantic Region	100.0	-	-	-	100.0
Central Region	100.0	-	-	-	100.0
Western Region	25.6	3.0	71.4	-	100.0
Canada	88.3	0.5	11.2	-	100.0

Source: Agriculture Canada.

Cranberries: Weekly Wholesale to Retail Prices at Halifax, Montreal, Winnipeg and Vancouver, 1974

Week Ending	Halifax		Montreal		Toronto		Winnipeg		Vancouver	
	Mass.	N.S. cello	Mass.	box cello	Mass. cello	Mass./Wisc.	B.C.	Mass. cello	Wash. - ctn.	B.C.
	- carton 24 x 1 lb. -		- 24 x 1 lb. -		- 24 x 1 lb. -		- M/C 24 x 1 lb. -		- 24 x 1 lb. -	
			- cents per pound -							
Jan. 4	37.9		31.8	29.7				37.9		
11	37.9									
18	37.9									
25	39.6									
Feb. 1	39.6									
8	39.6									
15	40.6									
22	40.6									
Sept. 20	-									
27	40.0		28.7	29.7 (c)						28.7
Oct. 4	40.0		27.6	28.0						29.2
11	40.0		27.6	29.5						29.5
18	37.5	33.3	27.6	29.7						30.8
25	34.4	33.3	27.6							30.0
Nov. 1	34.4	33.3	28.7							30.5
8	36.5	33.3	28.7	33.9						34.9
15	37.5	33.3	33.9	33.9						34.9
22	40.4	33.3	33.9	33.9						34.9
29	40.4	33.3	33.9	33.9						35.4
Dec. 6	41.3	33.3	33.9	33.9						
13	39.6		33.9	33.9						
20	39.6		34.1	33.9					38.5	
27	39.6		33.9	33.9						

(a) Massachusetts only.

(b) Wisconsin only.

(c) Minnesota only.

(d) Carton 24 x 1 lb.

Source: Agriculture Canada.

Cranberries: Acreage, Production<sup>(a)</sup>, Yield per Acre, Farm  
Value and Farm Value per Pound, United States,  
by States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Acreage -						
Massachusetts	11,100	10,900	10,900	10,900	10,900	10,950
New Jersey	3,100	3,000	3,200	3,200	3,200	3,125
Oregon	810	890	900	900	900	875
Washington	1,000	1,000	1,100	1,100	1,100	1,050
Wisconsin	<u>6,300</u>	<u>6,500</u>	<u>6,700</u>	<u>7,000</u>	<u>7,000</u>	<u>6,625</u>
Total	21,149	22,310	22,290	22,800	23,100	22,625
- Production, '000 lb. -						
Massachusetts	73,700	81,900	90,100	93,200	93,200	84,725
New Jersey	17,800	19,600	22,800	25,000	25,000	21,300
Oregon	6,880	10,400	9,730	9,200	9,200	9,053
Washington	10,400	14,800	11,800	9,200	9,200	11,550
Wisconsin	<u>55,200</u>	<u>70,900</u>	<u>67,000</u>	<u>87,000</u>	<u>87,000</u>	<u>70,025</u>
Total	166,048	163,980	197,600	201,430	223,600	196,653
- Average Yield lb. -						
Massachusetts	6,640	7,514	8,266	8,550	8,550	7,737
New Jersey	5,742	6,533	7,125	7,813	7,813	6,816
Oregon	8,494	11,685	10,811	10,222	10,222	10,346
Washington	10,400	14,800	10,727	8,364	8,364	11,000
Wisconsin	8,762	10,908	10,000	12,429	12,429	10,570
Total	7,851	7,350	8,865	8,834	9,680	8,692
- Farm Value \$'000 -						
Massachusetts	11,571	10,319	12,254	9,972	9,972	11,029
New Jersey	2,599	2,470	3,124	2,650	2,650	2,711
Oregon	736	1,310	1,323	957	957	1,082
Washington	1,550	1,939	1,628	957	957	1,519
Wisconsin	<u>7,949</u>	<u>9,997</u>	<u>10,050</u>	<u>9,135</u>	<u>9,135</u>	<u>9,283</u>
Total	23,430	24,405	26,035	28,379	23,671	25,623
- Farm Value ¢ per lb. -						
Massachusetts	15.7	12.6	13.6	10.7	10.7	13.0
New Jersey	14.6	12.6	13.7	10.6	10.6	12.7
Oregon	10.7	12.6	13.6	10.4	10.4	12.0
Washington	14.9	13.1	13.8	10.4	10.4	13.2
Wisconsin	14.4	14.1	15.0	10.5	10.5	13.3
Total	14.1	14.9	13.2	14.1	10.6	13.0

(a) Utilized production has been converted from barrels to pounds by a factor of 100 pounds per barrel.

Source: U.S. Department of Agriculture.

## Cranberries: Dutiable and Non-Dutiable Imports, 1966-1975

	Imports				Price f.o.b. Dutiable c/lb.
	Total '000 lb.	Non- Dutiable '000 lb.	%	Dutiable '000 lb.	
1966	3,391	*	*	3,391	20.5
1967	2,512	-	-	2,512	22.1
1968	3,084	-	-	3,084	22.0
1969	2,610	-	-	2,610	24.5
1970	3,296	-	-	3,296	18.7
Average 1966-70	2,979	*	*	2,979	21.4
1971	4,252	3,414	80.3	838	18.3
1972	4,771	737	15.4	4,034	18.6
1973	4,129	89	2.2	4,040	19.4
1974	4,173	1,328	31.8	2,845	19.2
1975	3,717	278	7.5	3,439	22.5
Average 1971-75	4,209	1,169	27.8	3,039	19.8

Source: Statistics Canada.





GRAPESTables of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	142
Acreage, Production and Farm Value .....	143
Supply and Disposition .....	144
Imports .....	149
Exports .....	149
Prices .....	149
Canada-United States Comparisons .....	152
Tariff Considerations .....	155
Conclusions .....	160
Recommendations .....	161
Appendix Tables .....	163



## GRAPES

The grape is a member of the vine family (Vitaceae) and belongs to the genus Vitis. It is believed to have originated in Asia Minor and to have been cultivated before written history.

There are about 60 Vitis species, yet varieties belonging to the single species Vitis vinifera produce more than 90 per cent of the world's grapes. V. vinifera is commonly referred to as the Old World or European grape (or recently in the United States as the California grape) and is the generally accepted grape for production of high quality wines. The preferred varieties of table grapes are also of the vinifera variety. Among North American species the Fox grape, Vitis labrusca, is of the greatest importance. It is resistant to cool temperatures, less susceptible to disease and can be grown over a wider area.

Hybridization of European and American species in North America and France has resulted in a wide range of new varieties, some combining the quality of the vinifera with the hardiness, disease and insect resistance of the labrusca. One group, the French hybrids, has been of increasing interest in recent years in Canada, particularly as a wine grape. These hybrids originated in France by crossing vinifera with American species, mainly V. rupestris and V. lincecumii but not V. labrusca. Some of these hybrids grown commercially in Canada are Seibel 7053, 1000, 9549, Foch, Seyve-Villard 172 and 5276, and Baco. French hybrids bear fruit similar to other European varieties but are generally hardier and more disease-resistant than pure vinifera grapes.

Grape growing occurs everywhere, except in regions of extreme cold, and is the world's biggest fruit industry. In the United States, grapes grow in every state except Alaska and, next to apples, are the most widely grown fruit. Because of the climate, grape growing is much less widespread in Canada, with commercial production limited almost entirely to the Niagara Peninsula and the Okanagan-Similkameen Valleys in the British Columbia interior. Grapes are second only to apples in farm value among fruits grown in Canada. Per capita consumption of fresh market grapes has been about 12 pounds annually during the period under review.

Commercially grown grapes are divided by use into four major groups and one minor one. The major groups consist of table, raisin, wine and juice grapes. The minor group comprises canning grapes. However, the same variety may be in more than one or even in all groups. The Thompson Seedless (a vinifera), for example, is suitable for all five types of uses. Furthermore, all of the more than 8,000 varieties will, when crushed, ferment into wine, and most of them can be dried or eaten fresh. However, only a limited number produce wines of good quality. Raisins are produced mainly from three varieties - Thompson Seedless, Black Corinth and Muscat of Alexandria.

Fewer than a dozen varieties are grown extensively for table grapes. Some of the more important ones are Emperor, Thompson Seedless, Tokay, Cardinal and Ribier. Most of the sweet juice is produced from the Concord variety. Only seedless varieties are canned, usually Thompson Seedless and Canner.

When imported into Canada, fresh grapes are classified under two tariff items; one covers the labrusca species, the other, vinifera. No distinction is made as to use (e.g., for fresh market or for winemaking). Hybrid varieties are also classified for customs purposes as labrusca or vinifera although, botanically, a hybrid is of neither species. Whenever separate data are available, this report will discuss each of the species individually.

#### GROWING, HARVESTING AND MARKETING

The vinifera grapes require long, warm-to-hot, dry summers and cool winters for best development. Humid summers render the plants susceptible to certain fungus diseases and insect pests; intense cold (below  $-18^{\circ}\text{C}$ ) will kill them. Frost after vine growth starts in the spring may kill most of the fruit bearing shoots and disastrously reduce the crop. A long growing season with daily mean temperatures of at least  $21^{\circ}\text{C}$  is required to mature the fruit. Vinifera varieties thrive best if no rain falls between blooming and harvesting. The labrusca species are hardier and more resistant to cold weather and disease. They may also do better where summer rains of short duration are the rule. Grapes can be grown in a wide range of soils, from sand to clay loam and from shallow to very deep.

Labour is an important factor in production, and especially in pruning. Pruning is the most important single vineyard operation. It is usually the sole means of regulating the crop and determining the quality of the fruit of wine and raisin varieties as well as the quality of the wood for the next year. From 90 to 95 per cent of a year's growth is removed at the annual pruning. Thinning is an important operation for the proper development of most varieties of table grapes and extensive hand labour is also required for tying vines. It is unlikely that these three operations will be replaced by machines.

A grape is ripe when it reaches the stage best suited for the use to which it is to be put. Unlike many fruits, grapes do not continue to ripen once they have been harvested and must, therefore, be left on the vine until fully mature if the highest quality and maximum yields are to be obtained. Fresh market grapes must have good "eye" appeal. Such grapes are harvested directly into 6-quart baskets holding about 8 pounds of fruit. Good pickers are able to handle about 200 baskets per day.

Wine grapes are left on the vine as long as possible to obtain maximum sugar content. Often it may be necessary to harvest before the optimum date because of potential loss from migrating birds or frost. Wine grapes are harvested into a variety of containers including apple boxes and specially constructed lugs or bins. The type of container is specified and usually supplied by the winery.

In Ontario, more than 90 per cent of the grapes grown for processing are picked by mechanical harvesters. These machines knock off clusters by striking the wire to which the cane is attached. Special vine training is necessary. In British Columbia, the use of mechanical harvesters is far less widespread; in a 1972 report, Agriculture Canada stated that certain vineyards were contemplating the use of mechanical picking.

Mechanical harvesting of table grapes has presented difficulties mainly because all clusters do not ripen simultaneously, and hence the harvesting must be carried out selectively. The University of California is engaged in the development of a harvester which may solve this problem.

Canadian grapes are almost entirely marketed during September and October. In some years, small amounts may move in late August and early November. Wine grapes are grown under contract with the winery. In Ontario, contracts are negotiated by the Ontario Grape Growers Marketing Board in St. Catharines and, in British Columbia, by the Grape Marketing Board. Almost all British Columbia fresh market grapes are delivered to packing houses and B.C. Tree Fruits Limited (a grower co-operative marketing organization). In Ontario, fresh market sales are under the auspices of the Ontario Fresh Grape Growers Marketing Board in Vineland.

Although the production of vinifera and vinifera-type hybrids is expanding in Canada, labrusca grapes are still predominant. On average, some 85 per cent of total domestic output, and 100 per cent of vinifera-type grape production has, in recent years, been for processing, primarily into wine.

#### ACREAGE, PRODUCTION AND FARM VALUE

Statistics Canada data show there were 1,812 farms (vineyards) engaged in the commercial production of grapes in Canada in 1971. Of these, 1,550 or approximately 85 per cent were located in Ontario. British Columbia, with 235 growers, accounted for 13 per cent and the remainder was distributed between the Maritimes and the Prairie Provinces each with seven farms (see Appendix Table 1). Between 1961 and 1971, total acreage increased by about 7 per cent from 22,820 acres to 24,512 acres. Although this growth was small, total production between 1961-65 and 1966-70 rose by almost 23 per cent. In other words, productivity as measured by yields per acre appears to have increased substantially over the past 15 years.

Canadian production, in British Columbia and Ontario, rose by 39 per cent from an average of 106 million pounds in 1961-65 to 148 million pounds in 1971-74. Output in Ontario increased by 26 per cent while in British Columbia, output advanced by 443 per cent; however, that province's average production in 1971-74 of 19 million pounds remained well below Ontario's 129 million pounds.

From 1961-65 to 1971-74, the average annual farm value of grapes in Canada rose by 171 per cent from \$5.2 million to \$14.2 million. On a per pound basis, the increase in farm values was particularly evident in Ontario where farm-gate prices, between the two periods, rose by 92 per cent from 4.9 cents to 9.4 cents. However, per pound prices in British Columbia, which rose by 67 per cent from 6.7 cents to 11.2 cents, remained higher.

Table 1: Production, Farm Value and Farm Value per Pound, by Province, 1961-197

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Ontario	102,535	120,695	156,350	104,281	119,147	135,397	128,794	+ 25.6
B.C.	3,479	9,508	18,276	20,117	12,869	24,285	18,887	+442.9
Canada	106,014	130,203	174,626	124,398	132,016	159,682	147,681	+ 39.3
- Farm Value, \$'000 -								
Ontario	5,017	7,558	12,465	8,928	11,452	15,702	12,137	+141.9
B.C.	234	701	1,576	2,050	1,446	3,383	2,114	+803.4
Canada	5,252	8,260	14,041	10,978	12,898	19,085	14,251	+171.3
- Farm Value, ¢ per lb. -								
Ontario	4.9	6.3	8.0	8.6	9.6	11.6	9.4	+ 91.8
B.C.	6.7	7.4	8.6	10.2	11.2	13.9	11.2	+ 67.2
Canada	5.0	6.3	8.0	8.8	9.8	12.0	9.6	+ 92.0

Source: Statistics Canada.

The rise in production and the even greater rise in farm values reflect expanding Canadian consumption of processed grapes in the form of wine. They also indicate a general upgrading of the quality of grape produced in Canada as a result of the expansion of plantings of vinifera grapes and hybrids with more pronounced vinifera characteristics.

#### SUPPLY AND DISPOSITION

Supply and disposition data are contained in Table 2. The statistics include processed grape products in fresh equivalent weight. Certain supply and disposition ratios are presented in Appendix Table 2.

The total supply of grapes in Canada, including imports, averaged 742 million pounds annually during 1971-74, an increase of about 34 per cent, over the 1961-65 yearly average. Total domestic disappearance or consumption, grew by a similar percentage. Canadian exports and re-exports of grapes, mostly fresh, are relatively small and have declined by 62 per cent from 13 million to 5 million pounds annually.

Total imports in fresh and processed (fresh equivalent) forms increased by about 33 per cent, from 449 million pounds in 1961-65 to 595 million pounds in 1971-74. Fresh imports rose by 24 per cent to 252 million pounds per year during 1971-75, although most of the growth during the period under review occurred during the 1960s.



Table 2: Grapes: Supply and Disposition, Canada 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Production	106,014	130,203	174,626	124,398	132,016	159,682	147,681	+ 39.3
Total Imports	448,138	526,121	552,672	562,958	689,835	573,630	594,774	+ 32.7
Fresh	203,343	255,725	263,157	223,181	262,220	260,070	252,157	+ 24.0
Processed (raisins) (a)	211,451	210,443	183,667	223,874	228,180	148,677	196,100	- 7.3
Processed (wines) (b)	33,344	50,334	86,747	91,594	131,054	121,755	107,787	+223.3
Processed (juice conc., not frozen) (c)	..	9,619	19,101	24,309	68,381	43,128	38,730	..
Total Supply Available	554,152	656,324	727,298	687,356	821,851	733,312	742,455	+ 34.0
Available for processing or imported processed	323,385	383,596	463,515	471,777	563,615	454,227	488,284	+ 51.0
From domestic production	73,955	99,600	152,000	112,000	116,000	120,000 (f)	125,000 (f)	+ 69.0
Imported fresh for processing	4,635	13,600	22,000	20,000	20,000	20,667	20,667	+345.9
Imported processed	244,795	270,396	289,515	339,777	427,615	313,560	342,617	+ 40.0
Available for fresh market	230,767	272,728	263,783	215,579	258,236	279,085	254,171	+ 10.1
From domestic production	32,059	30,603	22,626	12,398	16,016	39,682	22,681	- 29.3
Imported	198,708	242,125	241,157	203,181	242,220	239,403	231,490	+ 16.5

Table 2: Grapes: Supply and Disposition, Canada 1961-1974 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Exports				- '000 lb. -				
Domestic fresh exports	13,392	17,555	4,668	2,586	4,562	8,581	5,100	- 61.9
Fresh re-exports	12,913	15,318	2,561	1,121	1,923	7,302	3,227	- 75.0
Processed (raisins) (a)	477	2,084	1,811	936	1,279	445	1,118	+ 134.4
Processed (wines) (b)	..	*	-	70	969	-	260	..
	2	153	296	459	391	834	495	+24,650.0
Total Domestic Disappearance	540,760	638,769	722,630	684,770	817,289	724,731	737,355	+ 36.4
Consumed in processed form								
From domestic production	323,383	383,443	463,219	471,248	562,255	453,393	487,529	+ 50.8
Imported fresh for processing	73,953	99,447	151,704	111,471	114,640	119,166 (f)	124,245	+ 68.0
Imported processed	4,635 (e)	13,600	22,000	20,000	20,000	20,677 (f)	20,677	+ 345.9
	244,795	270,396	289,515	339,777	427,615	313,560	342,617	+ 40.0
Fresh market consumption	217,377	255,327	259,411	213,522	255,034	271,338	249,826	+ 14.9
From domestic production	19,146	15,286	20,065	11,277	14,093	32,380	19,454	- 1.6
Imported	198,231	240,041	239,346	202,245	240,941	238,958	230,372	+ 16.2

- (a) Converted to fresh equivalent on the basis of 4.3 lb. fresh per 1 lb. raisins.  
 (b) Converted to fresh equivalent on the basis of 12.1 lb. fresh per 1 gal. wine.  
 (c) Converted to fresh equivalent on the basis of 6.1 lb. fresh per 1 lb. juice concentrate (66.7 lb. per 1 gal.).  
 (d) Four-year average 1967-1970.  
 (e) Four-year average 1961-1964 (1965 data confidential).  
 (f) Three-year average 1971-1973 (1974 data confidential).

Source: Derived from Statistics Canada, Agriculture Canada and the U.S. Department of Commerce data.

Processed imports totalled an average of 343 million pounds during 1971-74, up 40 per cent over the annual average of 1961-65. Wine imports accounted for most of this growth, although imports of concentrates, used largely by domestic wineries, have also increased greatly. Raisin imports, accounting for more than half of the processed imports, on the other hand, declined moderately.

Imports of fresh grapes for commercial processing in 1961-65 amounted to some 4.6 million pounds annually or about 1 per cent of total processed grape consumption and, despite a substantial percentage increase, were still a small 4 per cent of total processed consumption in 1971-74.<sup>(1)</sup> Domestic fresh acquisitions by processors were 94 per cent of total processing in 1961-65 and 86 per cent in 1971-74.

The small quantities of fresh grapes imported for processing are the result of provincial government policies in Ontario and British Columbia. In Ontario, wineries were required, until 1976, to purchase Ontario grapes exclusively. In British Columbia, where the size of the grape crop is insufficient to meet processor requirements, government policy requires that a substantial proportion of the wineries' total crush be purchased locally. In 1975, for example, some 11,460 tons or 90 per cent of British Columbia production was contracted for sale to commercial wine producers. The 11,460 tons of local grapes represented 80 per cent of the wineries' total crush.

Although Canadian wineries use only small quantities of fresh imports, and wineries in Ontario and British Columbia use largely fresh domestic grapes, wineries in other provinces, notably Quebec, use neither domestic nor imported fresh grapes in great volumes but mostly imported grape concentrates of vinifera varieties. Such imports have increased at a rapid rate. And as is evident in Table 2, imports of grapes in the form of wines have also expanded greatly, and, at an estimated 108 million pounds annually in fresh equivalent weight during 1971-74 are not much less than the volume of grapes processed by Canadian wineries. Moreover, consumption of imported wines has expanded much more rapidly than consumption of domestic grapes by Canadian wineries.

Processing accounted for 84 per cent or 125 million pounds of the 148 million pounds grown in Canada. Moreover, processing or winemaking represented the entire increase in domestic grape production during the period under review. Comparing the period 1971-74 with 1961-65, the domestic acquisitions by processors increased by 51 million pounds, and grape production by 42 million pounds.

Table consumption of Canadian grown grapes has remained stable at 19 million pounds during the 1961-65 and 1971-74 period and relative to total fresh market consumption is small. Imports accounted for 91 per cent or 198 million pounds and 92 per cent or 230 million pounds during the 1961-65 and 1971-74 periods respectively. However, it should be noted that grapes consumed in fresh or table form are almost entirely of the vinifera species, i.e., Thompson Seedless, Ribier as well as other vinifera and near vinifera (hybrid) varieties. These are not extensively grown in Canada, and domestic production in the past has been sold almost exclusively to wineries.

(1) Considerable volumes of imported fresh grapes are used in home winemaking. The exact volumes involved are unknown, but it is believed that such imports greatly exceed the fresh imports by wineries.

Fresh market consumption of Canadian-grown grapes was at its lowest level during the late sixties and early seventies. However, beginning in 1974 and continuing in 1975, fresh market consumption of domestic grapes apparently increased sharply. Output increased quite substantially in those years, from 132 million pounds in 1973 to 160 million and 169 million pounds. At the same time volumes taken by Canadian wineries did not increase correspondingly, and hence more was available for domestic fresh consumption and exports. Exports increased in 1974 but dropped off sharply in 1975; because of U.S. overproduction there was little demand for Canadian labruscas.

The expansion of grape production in Canada resulted from increased plantings based on an anticipated growth in Canadian consumption of domestic wines which has not materialized. Consumption of foreign wines has risen at an accelerating rate, while the growth rate for domestic wines has diminished. This situation became even more serious in 1976 when production rose further to an estimated 187 million pounds. Initiatives undertaken by the Ontario government in 1976 to upgrade the quality of domestic wines, to reduce their price to the consumer and to give them preferential shelf space in LCBO outlets, are aimed at stimulating consumption of Ontario wines and grapes.

Appendix Table 3 indicates that virtually all domestic grapes for the fresh market move during September and October, with shipments occurring mainly in September. During this domestic in-season period of about 9 weeks, the import share of total fresh market consumption rose slightly from 86 per cent to 89 per cent between 1961-65 and 1971-74 (see Table 3). The heavy share of the market going to imports is a reflection of consumer preference for such vinifera varieties as Thompson Seedless, Emperor, Tokay and Ribier which are not available in Canada. Imports of labrusca grapes during the on-season have declined in absolute terms from an annual average of 2.9 million pounds in 1966-70 to 786,000 pounds in 1971-75 (see Appendix Table 9).

Table 3: Grapes: Production, Imports and Consumption, Selected Averages, 1961-1974

	1961-65	1966-70	1971-74
	- '000 lb. -		
<u>Production</u> (a)			
On-season (b)	18,878	15,224	19,360
Off-season	268	61	94
Total	19,146	15,285	19,454
<u>Imports</u> (a)			
On-season (b)	115,767	141,624	148,590
Off-season	82,464	98,417	81,782
Total	198,231	240,041	230,372
<u>Consumption</u> (a)			
On-season (b)	134,645	156,848	167,950
Off-season	82,732	98,478	81,876
Total	217,377	255,326	249,826
<u>Imports as % of Consumption</u>			
On-season (a)	86.0	90.3	88.5
Off-season (b)	99.7	99.9	99.9
Total	91.2	94.0	92.2

(a) September and October growing season.

(b) January-August, November and December.

Source: Derived from Statistics Canada and Agriculture Canada data.

### IMPORTS

The United States is the principal source of grape imports. At an average rate of 247 million pounds per annum during 1971-75, the United States accounted for 96 per cent of total Canadian fresh imports. Chile was a distant second with 4.6 million pounds or 1.8 per cent (see Appendix Table 5).

Imports arrive mainly from September to November with more than half coming in October (see Appendix Table 7).

The central region (Ontario and Quebec), with some 63 per cent of the Canadian population, imports about 192 million pounds annually and accounts for almost 75 per cent of annual average imports. One reason for the large per capita imports into this region is the presence of large ethnic groups who favour fresh grapes over concentrates for home winemaking. Moreover, while regulations under the Ontario Liquor Control Act require Ontario commercial wines to be made from that province's fruit, no such regulations govern Quebec wineries, a fact which contributes as well to the concentration of imports into the central region.

California is by far the major supplier of grapes to all regions (see Appendix Table 10). Although grapes are grown in every U.S. state except Alaska, the vast majority of fresh imports from the United States are of the vinifera species which grow almost exclusively in California.

Appendix Tables 8 and 9 provide a breakdown of imports by species. It will be noted that during 1971-75, imports of vinifera grapes averaged some 255 million pounds annually or 99 per cent of all fresh imports. Notwithstanding expanded output of viniferas in Canada in recent years, imports of that species in 1975 were 99.5 per cent of all grape imports.

### EXPORTS

Canadian exports of fresh grapes are almost all to the United States; almost all from Ontario and almost all of the Concord variety (see Appendix Tables 11, 12, and 13). Total annual exports averaged about 15.3 million pounds during 1966-70 but dropped substantially to an annual level of 2.6 million during 1971-75; in 1975, they amounted to 212,000 pounds. The Ontario Fresh Grape Growers Marketing Board attributed the sharp drop to oversupply and subsequent price declines in U.S. ConCORDs, beginning in 1969. Canadian growers could not meet U.S. prices without incurring severe losses.

### PRICES

The average farm value per pound of domestic grapes (see Table 1) has risen markedly in recent years, from an annual average of 5.0 cents in 1961-65 to 9.6 cents in 1971-74. An all time high of 12.0 cents was reached in 1974. Average prices in British Columbia have been at a higher level than in Ontario although prices in the latter province have been rising more rapidly.



The Board was unable to obtain a separate breakdown of average annual returns for vinifera, labrusca and hybrid varieties. However, some indication of the spread in price, based on sales to processors, is given in the 1973 award of The Board of Arbitration regarding the marketing of the 1973 crop for processing. In the award, the minimum price for all grapes of the vinifera varieties was set at \$370 per ton (18.5 cents per pound). For the labrusca varieties of Elvira, Missouri Riesling, Buffalo, Seneca and Ontario it was \$165 per ton (8.25 cents per pound). These prices were f.o.b. processing plant. Information available for 1972<sup>(1)</sup> indicates that growers of processing grapes in British Columbia received \$200-\$220 per ton (10-11 cents per pound) for labrusca varieties and \$240-\$250 per ton (12-12.5 cents per pound) for vinifera varieties.

Average Canadian farm value per pound for grapes sold for processing and to the fresh market are given in Table 4. For 1971-74, grapes for processing averaged 9.4 cents per pound while those for the fresh market were 17 per cent higher at 11.0 cents. Lower farm values for grapes for processing reflect the fact that they are grown under contract thus providing an assured market. Moreover, they are less costly to produce because shipping containers are supplied by the wineries and because they are usually mechanically harvested at a substantial saving in labour costs.

Table 4: Estimated Prices, Grapes Sold for Processing and Grapes Sold to Fresh Market, 1966-1974

	Total Production		Sold for Processing		Sold to Fresh Market <sup>(a)</sup>	
	'000 lb.	¢/lb.	'000 lb.	¢/lb.	'000 lb.	¢/lb.
Average						
1966-70	130,203	6.3	99,600	6.6	30,604	5.7
1971	174,626	8.0	152,000	8.0	22,626	8.4
1972	124,398	8.8	112,000	8.6	12,398	10.6
1973	132,016	9.8	116,000	9.4	16,016	12.3
1974	159,682	12.0	120,000	11.9	39,682	12.2
Average						
1971-74	167,681	9.6	125,000	9.4	22,681	11.0

(a) Includes exports, principally fresh market sales to the United States.

Source: Derived from Statistics Canada data.

To compare the price of imported fresh market grapes with the domestic product, the Board examined 1974 weekly wholesale-to-retail prices on the Halifax, Montreal, Toronto, Winnipeg, and Vancouver markets. These are summarized in Table 5 with further

(1) The Economics of Grapes in British Columbia, Agriculture Canada, page 25.

details in Appendix Tables 14a, b, and c. Quotations for imported grapes are generally available on a year-round basis with prices peaking in May - a reflection of the seasonal availability of U.S. grapes. It will be noted that, in 1974, the average wholesale price of imports during the domestic marketing season, September and October, was higher in all markets except Halifax. However, as noted earlier, imports are almost entirely of the vinifera variety which command higher prices (e.g., Thompson Seedless, Emperor and Perlette) than the labrusca varieties from domestic production (e.g., Concord, Fredonica and Patricia).

Table 5: Average Wholesale-to-Retail Selling Prices for Domestic and Imported Grapes in Halifax, Montreal, Toronto, Winnipeg, and Vancouver, 1974

	Halifax		Montreal		Toronto		Winnipeg		Vancouver	
	Dom.	Imp.	Dom.	Imp.	Dom.	Imp.	Dom.	Imp.	Dom.	Imp.
- ¢ per lb. -										
Jan.	-	34.0	-	28.8	-	28.4	-	29.8	-	32.5
Feb.	-	33.3	-	45.6	-	27.8	-	29.5	-	32.7
Mar.	-	53.3	-	55.8	-	41.0	-	30.6	-	54.3
Apr.	-	65.4	-	67.1	-	61.6	-	47.8	-	63.4
May	-	84.7	-	70.8	-	60.6	-	63.9	-	70.9
June	-	79.7	-	61.2	-	60.7	-	62.5	-	63.5
July	-	61.8	-	52.2	-	56.3	-	54.0	-	57.7
Aug.	-	51.8	-	42.5	-	45.5	-	43.3	-	49.8
Sept.	42.5	37.2	26.8	33.1	24.7	33.5	33.9	36.1	29.5	40.7
Oct.	42.5	34.5	24.0	31.2	23.3	33.8	32.3	36.1	28.6	39.0
Nov.	-	-	-	30.7	-	35.3	-	26.5	-	33.3
Dec.	-	27.7	-	26.4	-	21.6	-	25.1	-	29.4

Source: Appendix Tables 14a, 14b, and 14c.

Data on the landed cost of imported fresh grapes are summarized in Table 6; additional details are given in Appendix Tables 15a and b. Although all shipments surveyed were entered free of duty, it is evident that cost of freight (including brokerage and other transportation) provided a marked degree of protection to domestic growers. An examination of data in Appendix Table 15 indicates that during the 1974 domestic marketing season, freight and other charges, as a percentage of the f.o.b. cost, ranged from 18 to 34 per cent in Toronto, 18 to 43 per cent in Montreal 19 to 30 per cent in Winnipeg (2 importations only) and 6 to 10.5 per cent in Vancouver (including two importations bearing a substantial f.o.b. cost of more than 50 cents per pound). All importations into each market were of California origin.



Table 6: The Landed Cost of Imported Grapes in Toronto, Montreal, Winnipeg, and Vancouver, 1972-1974

		<u>Cost f.o.b.</u>	<u>Freight, Brokerage, etc.</u>	<u>Duty</u>	<u>Total Landed Cost</u>
- range in ¢ per lb. -					
Toronto	1972	20.6-30.7	3.9-4.4	-	24.9-35.1
	1973	16.8-28.8	4.0-5.8	-	20.9-34.7
	1974	14.1-42.1	4.2-6.7	-	18.9-46.5
Montreal	1974	14.1-33.0	4.0-7.0	-	18.9-37.8
Winnipeg	1974	13.8-48.6	3.6-5.1	-	18.0-52.9
Vancouver	1974	20.0-51.2	3.0-5.4	-	23.6-56.6

Source: Appendix Tables 15a, 15b, and 15c.

#### CANADA-UNITED STATES COMPARISONS

U.S. grape production for 1971-74 averaged some 7.5 billion pounds annually, an increase of about 7 per cent over the annual 1966-70 average (Appendix Table 16a). Canada, on the other hand had an average output of 148 million pounds during the 1971-74 period or about 2 per cent of U.S. production. However, Canadian output expanded at the somewhat higher rate of 13 per cent over the 1966-70 average. California and Ontario both accounted for close to 90 per cent of their respective country's output.

In general, the U.S. grape industry has progressed along two main lines with California and, to a much lesser extent, Arizona growing vinifera varieties and the rest of the country labruscas, hybrids of this species, and hybrids of native species and viniferas.

Table grapes are the main imports from the United States. These are almost entirely of the vinifera species of which the most important types, grown in California, are Thompson Seedless, Emperor, Tokay, Ribier, Malaga, Cardinal and Perlette. In 1966, there were 230,705 bearing acres of Thompson grapes in California and 28,987 acres of Emperor. These varieties are not grown commercially in Canada.

About 89 per cent or 6.7 billion pounds of the total U.S. production is processed, mostly into wine, a pattern similar to grape utilization in Canada, on average 84 per cent during 1971-74. The production of raisins, which is confined to California and almost totally to the Thompson Seedless variety, accounted for 1.7 billion pounds or about 25 per cent of California's crop. Raisins are not produced in Canada.

During 1971-74, the total farm value of grapes averaged \$16 million in the United States, an increase of 109 per cent over the 1966-70 average. Between the same two periods, total Canadian farm value increased by 73 per cent to an annual average of \$14 million.

Per pound farm values were higher in Canada, reaching an average of 9.6 cents in 1971-74 compared with 6.9 cents in the United States. The California average for 1971-74 was 6.6 cents and British Columbia's was 11.2 cents. In 1974, the figures were 6.5 cents in California and 13.9 cents in British Columbia.

The Board examined production costs for fresh grapes in California for 1972 and in Ontario and British Columbia, for 1974 (see Table 7). In connection with these costs, the following comments should be noted:

(a) Ontario data were prepared in the Economics Branch, Ontario Ministry of Agriculture and Food, from information made available by the Grapes for Processing Industry Advisory Committee.

(b) Data for British Columbia were prepared by the Farm Management Service, Agriculture Canada, Vancouver. This information was used to set the agreed 1974 value per ton of grapes for processing into wine.

(c) The California grape production costs come from a study produced by the University of California entitled "Thompson Seedless for Table Use, 1972." The comments on this cost sheet say, "The figures shown are based on what are considered good management practices in many vineyards. They do not represent industry averages." The yield per acre is averaged over a number of years for a typical, well-managed vineyard.

Table 7: Grapes: Production Costs in Canada and United States

	<u>California</u>	<u>Ontario</u>	<u>British Columbia</u>
	<u>1972</u>	<u>1974</u>	<u>1974</u>
Yield, lb.	12,000	8,000	9,500
	- \$ per acre -		
Labour costs	453.48	251.00	561.00
Machinery	65.48	150.12	91.32
Materials	93.00	123.55	58.64
Lands and buildings	199.37	301.54	262.15
Other	129.07 <sup>(a)</sup>	23.33	247.52 <sup>(a)</sup>
Total Costs	940.40	849.54	1,220.63
Total Costs (¢ per lb.)	7.8	10.6	12.8

(a) Includes irrigation costs.

Sources: Ontario and B.C. provincial data and U.S. publications.

Considerable variation in cost inputs occur among the three growing areas with the greatest cost differences being for labour, land and building overhead. Ontario growers used harvesters and their total labour cost at \$251 per acre was the lowest. British Columbia, where the crop was hand-harvested, had the highest total labour cost at \$561 per acre. California does not state the method used to pick grapes, but as these are table grapes it may be assumed they are hand-harvested. Labour costs at \$453.48 per acre in 1972 were not out of line with those for British Columbia in 1974.

Ontario and British Columbia costs were based on grapes for processing where the cull factor is less than for fresh market grapes. The California study noted a yield of 12,000 pounds per acre for Thompson Seedless for table use, and cullage of 5,000 pounds. Accordingly, the costs of such grapes, when harvested for processing, could be much lower than the 7.8 cents per pound noted above, assuming the use of mechanical harvesters and a lower cull factor.

In another study prepared by the University of California and entitled "Sample Costs to Produce Irrigated Trellised Wine Grapes in the North Coast Counties, 1974," it was noted that per pound average costs were 19.2 cents per pound, i.e., well above the figure for Thompson Seedless. However, the North Coast Counties are located in an area of California producing a superior quality grape (Cabernet Sauvignon, Pinot Noir, Pinot Chardonnay and Chenin Blanc) which return to the farmer between \$600 and \$800 or more per ton (30 cents to 40 cents per pound). In 1972 and 1973, the average return in Mendocino County (one of the North Coast Counties) was \$802 and \$810 per ton. Returns in 1974 dropped to \$324. However, the cost of land there is greatly in excess of per acre costs elsewhere in the state and yields are much lower.

Considering the data on costs and the data on average unit farm values, it would seem an inescapable fact that production costs of the main varieties grown in Canada are considerably higher than for the main varieties grown in California. Moreover, the latter, vinifera varieties, are superior to the Canadian product not only for table use but as well for winemaking. A comparison of U.S. costs of producing vitis labrusca grapes with Canadian production costs would probably indicate smaller differences between the two countries. However, U.S. costs for labruscas were unavailable. In any event, the competition for Canadian growers is almost entirely U.S. vinifera grapes and not U.S. labruscas, of which Canadian imports are declining and insignificant.

TARIFF CONSIDERATIONS

Fresh grapes entering Canada, for fresh market consumption or for processing, are dutiable, according to species, under tariff items 9401-1 and 9402-1, as follows:

		<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty:				
9401-1	Vitis Vinefera species .....			
	..... per pound	Free	Free	2 cts.
9402-1	Vitis Labrusca species .....			
	..... per pound	Free	1 ct. or Free	1 ct. or Free

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 15 weeks, and the Free rate shall apply whenever the specific duty is not in effect.

Tariff items 9401-1 and 9402-1 are bound under GATT. Tariff item 9401-1 has remained unchanged since its introduction into the Customs Tariff in 1950; tariff item 9402-1 has existed in its present form since 1968. Prior to 1950, all grapes were classified under one item, but differing rates under the Most-Favoured-Nation Tariff were introduced in 1948. The reductions since 1930 in the rates of duties on grapes under the Most-Favoured-Nation and General Tariff are shown in Table 8, which includes only those changes, by Statute or Trade Agreement, which affected applicable rates of duty. In the table, the rates shown are per cent ad valorem or cents per pound; when a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

Under the current Australian Trade Agreement, in effect since June 30, 1960, Canada is bound to afford free entry to Vitis vinifera grapes imported from that country. The provisions of the South African Trade Agreement of 1933, cited in footnote (b) to Table 8, are still in effect in so far as free entry of all grapes during the months of February to June inclusive are concerned.

Table 8: Grapes: Tariff History Since 1930

Effective Date	B.P.	M.F.N.	Gen. <sup>(a)</sup>
1930, May Statutory Change	Free <sup>(b)</sup>	1½ cts.	2 cts.
1939, Jan. 1 United States Trade Agreement		1 ct. <sup>(c)</sup>	
1948, Jan. 1 GATT			
<u>Vitis vinifera</u>		Free	
<u>Vitis labrusca</u>		1 ct. <sup>(d)</sup> (15 weeks) or Free	
1950, June 1 Statutory Change			
<u>Vitis vinifera</u>	Free	Free	2 cts.
<u>Vitis labrusca</u>	Free	1 ct. (15 weeks) or 10 p.c.	1 ct. (15 weeks) or 10 p.c.
1968, Jan. 1 <sup>(e)</sup> Statutory Change			
<u>Vitis labrusca</u>	Free	1 ct. (15 weeks) or Free	1 ct. (15 weeks) or Free

- (a) Applicable to imports from the United States until Dec. 31, 1935, from Chile until Oct. 14, 1941.
- (b) Under the Australian Trade Agreement, effective Aug. 3, 1932 and the South African Trade Agreement, effective June 30, 1933, free entry was bound for grapes from those countries for the months of February to June inclusive, together with the maintenance of the margins of preference during those months.
- (c) For the months July to January inclusive; other months remained at 1½ cts. - see footnote (b).
- (d) Not applied until 1950.
- (e) As a result of the Kennedy Round - Vitis labrusca only.

Source: Canadian Customs Tariff.

When imported into the United States from Canada, fresh grapes would be classified under items 147.61, 147.63, and 147.64 according to the date of entry. As Canadian grapes are marketed almost entirely during September and October, item 147.64 would apply to most, if not all, Canadian exports to the United States. The appropriate provisions of the Tariff Schedules of the United States are:

<u>Item</u>	<u>Articles</u>	<u>Rates of Duty</u> 1
	Grapes, fresh, ... : Fresh (in bulk, or in crates, barrels or other packages):	
...	...	
	Other than hothouse:	
147.61	If entered during the period from February 15 to March 31, inclusive, in any year .....	5.25¢ per cu. ft. of such bulk or the capacity of the package
147.63	If entered during the period from April 1 to June 30, inclusive, in any year ...	Free
147.64	If entered at any other time	6¢ per cu. ft. of such bulk or the capacity of the package

The Canadian Horticultural Council proposed that a specific duty of 2 cents per pound apply under all three columns of the Tariff on importations of both vinifera and labrusca grapes with the maximum period of application of the specific duty not to exceed 15 weeks in any 12-month period ending 31st March. At all other times, a Free rate would apply. The Council also proposed that during any dutiable period, the rate of duty should not be less than 20 per cent ad valorem. It was also proposed that the existing nomenclature be retained, i.e., two tariff items for grapes, each according to species.

The Canadian Fruit Wholesalers' Association endorsed the Council's proposal for a 2-cent per pound duty on vinifera grapes "provided an undertaking is given that, if granted, the tariff will not be applied until the production of this crop (in Canada) reaches commercial proportions sufficient to warrant this protection." In their submission to the Board, the Council stated that "the application of the seasonal duty on Vitis vinifera species will only be requested when adequate quantities are available." The Canadian Fruit Wholesalers' Association made no comments concerning the proposal of a 2-cent per pound duty on Vitis labrusca species.

The Canadian Food Processors Association made no proposals on either of the relevant tariff items. The California Grape & Tree Fruit League recommended that there be no increase in the duty on grapes. The more general representations of the Canadian Importers Association Inc., the National Farmers Union, and the Consumers' Association of Canada are also relevant.



Imports of labrusca grapes, which have been declining, have been accompanied by a lessening of the degree of protection afforded by the existing 1 cent per pound duty. As shown in Table 9, the increase in the average f.o.b. price of dutiable imports has resulted in a decline in the ad valorem equivalent of the specific duty from 12 per cent during 1966-70 to an average of 8.8 per cent in 1971-75. The ad valorem equivalent in 1975 was 5.2 per cent.

Table 9: Grapes, Labrusca Species: Average Ad Valorem Equivalent of M.F.N. Specific Duty, 1966-70 and 1971 to 1975

	Price f.o.b. <u>Dutiable</u> ¢ per lb.	M.F.N. <u>Specific Duty</u> ¢ per lb.	Ad Valorem Equivalent of M.F.N. <u>Specific Duty</u> %
Average 1966-70	8.3	1.0	12.0
1971	10.5	1.0	9.5
1972	9.9	1.0	10.1
1973	12.2	1.0	8.2
1974	11.2	1.0	8.9
1975	19.1	1.0	5.2
Average 1971-75	11.4	1.0	8.8

Source: Appendix Table 18.

Since 1966, the seasonal duty has been applied each year in western Canada, in most cases for the maximum permitted 15 weeks (see Appendix Table 17). In central Canada, the duty was not applied in 1970 and 1973 and has not, since 1966, been invoked in the Maritimes.

A specific duty of 2 cents per pound for labrusca grapes, on the basis of 1975 import values would be equivalent to about 10 p.c. In other words, the proposed ad valorem minimum of 20 per cent, which would be operative when import prices reach 10 cents per pound, would already have been the effective rate in 1975, and the specific rate would have been equal to close to 4 cents per pound in that year. With respect to vinifera grapes the ad valorem equivalent of the proposed 2 cents specific duty, with an average unit import value of 13.4 cents per pound during August-October of 1975, would be 15 per cent. For these grapes as well, the proposed minimum ad valorem rate of 20 per cent would have been operative in 1975.

The Board has estimated the costs to consumers and grower benefits, which would result from implementation of the Council's proposals, separately for vinifera- and labrusca-type grapes, on the assumption that 90 per cent of total grape production in Canada is of the labrusca species, and the remaining 10 per cent vinifera-type



hybrids. It is estimated, on the basis of 1974 production and imports, that 2 cents per pound on labrusca grapes, would result in an additional benefit to growers estimated at \$1,440,000 or about \$20 per ton. The total increase in costs to the Canadian consumer would be about \$2.0 million or 35 cents per family of four per year.

In the case of vinifera grapes, the annual cost to the consumer resulting from the imposition of a 2-cent per pound duty could amount to some \$5.0 million or about 90 cents per family of four. At the existing low level of vinifera grape production in Canada, the initial added return to producers would total only about \$320,000.

Imports of grapes for commercial winemaking, whether labrusca or vinifera, are strictly regulated by provincial regulations in Ontario and British Columbia. Until 1976, all fresh grapes for commercial wine production in Ontario had to be of Ontario origin. In that year, the regulations were relaxed somewhat to permit the use of a maximum of 15 per cent of foreign grapes or blending wines but they continued to exclude concentrates. No reduction in the use of Ontario grapes is expected as a result of the 1976 regulations. Instead, the imported grapes and blending wines will be used to displace an equal volume of water, sugar and other additives now used in the production of Ontario wine.

In British Columbia, wineries have been required to use 80 per cent local grapes in their total crush for the past two years (1975 and 1976). This is an increase from the earlier 60 per cent requirement. Thus, in 1975, the wineries purchased 11,658 tons of British Columbia grapes (out of a total crop of 12,607 tons) and imported 2,917 tons for a total crush of 14,576 tons. In other words, about 93 per cent of the total crop was purchased by commercial winemakers. For the remaining 20 per cent of the total wine crush, only fresh grapes may be imported.

From the foregoing, it can be argued that the level of the tariff would have little effect on the production of grapes for wine in Canada. Some fresh grapes for winemaking are imported into provinces other than British Columbia but the quantity is not felt to be significant. Total fresh imports for all types of processing, have been about 20 million pounds in recent years (see Table 2) or about 14 per cent of total processing requirements.

Grape growers in Ontario also benefit indirectly through the practice of the Liquor Control Board of Ontario of applying a substantially higher mark-up on imported wines than it applies on Ontario wines. The purpose of that policy is to promote the sale of Ontario wines through prices that are lower in relation to imports. An increase in wine sales will, of course, result in larger volumes of Ontario grapes being processed.

Consideration must be given to the desirability or, indeed, the necessity for retaining two separate tariff items for grapes, based on species. First of all, it can now be contended that the existing wording of tariff items 9401-1 and 9402-1 does not correctly describe the hybrids currently imported into Canada. From a botanical

point of view, a hybrid is of neither the V. labrusca nor V. vinifera species and cannot, therefore, be properly classified under either tariff item. Hybrid varieties would, perhaps, be more properly classified under tariff item 9600-1 as fresh fruits, n.o.p. Thus, one alternative to the tariff nomenclature would be the introduction of a third item to cover fresh grapes, n.o.p. To do so would give the appearance of removing any doubt as to the correct tariff classification; more probably, it would lead to disputes over the botanical nature of some types of grape imports, i.e., pure or hybrid, particularly if there were provision for differential tariff treatment.

Aside from technical considerations of classification, it may no longer be necessary from an economic viewpoint to differentiate on the basis of species. To provide tariff protection for the Canadian grape growing industry on the basis of a duty on labruscas only is probably no longer adequate because domestically grown vinifera-type hybrids are becoming increasingly important. Moreover, free entry was provided for vinifera grapes because nearly all imports were for the fresh market, for fresh table use or home winemaking. Because of provincial restrictions only limited quantities were imported for commercial winemaking, and domestic production was confined to labruscas, predominantly and increasingly for processing. Now not only is Canadian production of vinifera-type grapes increasing, but they are almost solely used by local wineries and not for table use. To protect local production of vinifera-type grapes grown primarily for winemaking on the existing basis would involve a duty on all in-season imports for the fresh market also. Thus, it would appear that either all grapes be included under one tariff item, or that a separation be made with respect to whether or not the grapes are imported by commercial processors.

There are some advantages for the latter. Two separate tariff items based on use would allow for separate monitoring of the imports and would facilitate separate adjustment in rates. A separate tariff item for grapes for processing would also be consistent with the Board's recommendations concerning several other fresh vegetables and fruits.

#### CONCLUSIONS

Provincial government regulations in themselves provide effective protection for the bulk of domestic grape output, which is primarily directed to commercial wineries in Ontario and British Columbia. There is, in addition to the comparatively limited quantity of fresh grapes imported by commercial wineries, a large and growing flow of imports of vinifera grapes which home winemakers clearly prefer to the domestic supply of grapes - mainly labrusca - available to them. The Board is of the view that this inflow is of sufficient importance that a separate tariff item should be established to provide the statistical basis for monitoring and appropriate action should it become necessary. The Board considers, however, that a tariff for processing grapes whether for commercial use or the home winemaking industry would not be warranted or relevant under present circumstances, and would involve a considerable increase in costs for processors and consumers in all provinces.

The Board was also of the view that the introduction of a duty on grapes for fresh table use, which are generally of the vinifera type, would be unwarranted. Domestic growers, particularly those producing vinifera-type grapes, supply only a small proportion of the fresh market in Canada.

It is recommended, therefore, that fresh grapes imported for processing and for the fresh market enter free of duty. It is further recommended that the current distinction as to species be dropped, and that for statistical reasons and ease of future tariff adjustments two new items be introduced on the basis of end-use.

#### RECOMMENDATIONS

The Board recommends that tariff items 9401-1 and 9402-1 be deleted from Schedule "A" of the Customs Tariff and the following tariff items be inserted under the general heading fruits, fresh, in their natural state:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Grapes, n.o.p. ....	Free	Free	Free
Grapes for processing .....	Free	Free	Free



Appendix Table 1

Grapes: Acreage and Number of Farms by Province and Region,  
1961 and 1971

	1961		1971		
	No. of Acres	Acreage as % of Total	No. of Acres	Acreage as % of Total	No. of Farms Reporting
Atlantic Region	1	*	5	*	7
Nfld.	-	-	-	-	-
P.E.I.	-	-	1	*	1
N.S.	1	*	4	*	6
N.B.	-	-	-	-	-
Central Region	22,172	97.2	22,098	90.2	1,563
Que.	11	0.1	4	*	13
Ont.	22,161	97.1	22,094	90.1	1,550
Western Region	647	2.8	2,409	9.8	242
Man.	1	*	1	*	4
Sask.	-	-	1	*	2
Alta.	1	*	1	*	1
B.C.	645	2.8	2,406	9.8	235
Canada <sup>(a)</sup>	22,820	100.0	24,512	100.0	1,812

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74
	- per cent -						
<u>Per Cent of Domestic Production:</u>							
Sold for Processing	69.8	76.4	86.9	89.6	86.8	74.6	84.1
Sold to Domestic Fresh Market	18.1	11.7	11.5	9.1	10.7	20.3	13.2
Exported	12.2	11.9	1.6	1.3	2.5	5.1	2.7
<u>Total Imports as Per Cent:</u>							
of Total Supply Available	80.9	80.2	76.0	81.9	83.9	78.2	80.1
of Total Domestic Disappearance	82.9	82.4	76.5	82.2	84.4	79.2	80.7
<u>Fresh Imports (a) as Per Cent:</u>							
of Fresh Market Availability	86.1	88.8	91.4	94.2	93.8	85.8	91.1
of Fresh Market Consumption	91.4	94.8	93.0	95.2	95.0	88.2	92.7
<u>Processed Imports (b) as Per Cent:</u>							
of Consumption in Processed Form	77.1	74.1	67.3	76.3	79.6	73.7	74.5
of Total Domestic Disappearance	46.1	44.5	43.1	52.5	54.8	46.1	49.3
<u>Per Cent of Fresh Market Consumption:</u>							
From Domestic Production	8.8	6.0	7.7	5.3	5.5	11.9	7.8
From Imports	91.2	94.0	92.3	94.7	94.5	88.1	92.2
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in Processed Form	59.8	60.0	64.1	68.8	68.8	62.6	66.1
Consumed in Fresh Form	40.2	40.0	35.9	31.2	31.2	37.4	33.9
<u>Net Imports (c) as % of Total Domestic</u>							
Disappearance	80.4	79.6	75.8	81.8	83.8	78.0	80.0
Production as % of Total Domestic							
Disappearance	19.6	20.4	24.2	18.2	16.2	22.0	20.0

- (a) Excludes fresh imports for processing.  
 (b) Includes fresh imports for processing.  
 (c) Total imports minus total exports and re-exports.

Source: Table 2.

Grapes: Estimated Monthly Distribution of Fresh Shipments<sup>(a)</sup>  
to Principal Markets, 1966-1974

	Average 1966-70	Average 1971-74	1971	1972	1973	1974
	- thousand pounds -					
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	-	-	-	-	-	-
Aug.	61	78	-	-	310	-
Sept.	10,348	14,033	14,908	6,608	12,275	22,342
Oct.	4,876	5,327	5,157	4,669	1,508	9,973
Nov.	*	16	-	-	-	65
Dec.	-	-	-	-	-	-
	15,285	19,454	20,065	11,277	14,093	32,380

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 4

Grapes: Estimated Monthly Distribution of Fresh Market  
Consumption, 1961-1974

	Average 1961-65	Average 1966-70	Average 1971-74			
	Imports as % of Con- sumption	Imports as % of Con- sumption	From Domestic Produc- tion	From Imports	Total Consump- tion	Imports as % of Con- sumption
	- per cent	-	- thousand pounds	-		per cent
Jan.	100.0	100.0	-	6,681	6,681	100.0
Feb.	100.0	100.0	-	3,916	3,916	100.0
Mar.	100.0	100.0	-	3,225	3,225	100.0
Apr.	100.0	100.0	-	2,995	2,995	100.0
May	100.0	100.0	-	3,456	3,456	100.0
June	100.0	100.0	-	4,377	4,377	100.0
July	100.0	100.0	-	8,293	8,293	100.0
Aug.	97.8	99.5	78	10,827	10,905	99.3
Sept.	62.0	74.8	14,033	27,645	41,678	66.3
Oct.	93.5	95.8	5,327	20,945	126,272	95.8
Nov.	100.0	100.0	16	26,954	26,970	99.9
Dec.	100.0	100.0	-	11,058	11,058	100.0
Total	91.2	94.0	19,454	230,372	249,826	92.2

Source: Derived from Statistics Canada and Agriculture Canada data.



Grapes: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>South Africa</u>	<u>Chile</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -				
1966	255,706	5,089	1,558	31	262,385
1967	251,522	6,807	1,406	160	259,895
1968	245,333	3,877	3,282	514	253,006
1969	270,294	4,879	3,361	582	279,116
1970	215,370	5,457	2,945	450	224,222
Average 1966-70	247,645	5,222	2,511	347	255,725
1971	250,601	4,582	4,015	3,959	263,157
1972	212,996	2,970	3,262	3,953	223,181
1973	251,595	2,180	3,722	4,723	262,220
1974	251,312	2,521	5,384	853	260,070
1975	268,754	831	6,658	1,550	277,793
Average 1971-75	247,052	2,617	4,608	3,008	257,284

Source: Statistics Canada.

Grapes: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	6,396	5,714	5,560	6,502	8,001	7,955
Nfld.	1,182	961	656	720	686	171
P.E.I.	283	245	174	209	214	216
N.S.	2,431	2,056	2,225	2,589	3,116	3,864
N.B.	2,500	2,452	2,505	2,984	3,985	3,703
Central Region	192,811	190,132	155,624	202,591	196,872	212,574
Que.	69,834	66,111	58,837	69,110	66,982	71,885
Ont.	122,977	124,021	96,787	133,481	129,890	140,689
Western Region	56,518	67,311	61,997	53,127	55,197	57,264
Man.	6,388	6,258	6,346	6,205	7,446	11,813
Sask.	3,406	3,223	3,302	3,208	3,048	3,652
Alta.	10,845	10,928	10,279	10,122	12,302	13,165
B.C.	35,879	46,902	42,070	33,591	32,401	28,633
Canada	255,725	263,157	223,181	262,220	260,070	277,793

Source: Statistics Canada.

Grapes: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -									
Jan.	8,341	3.3	8,130	3.2	6,488	5,934	8,642	8,634	10,952
Feb.	5,615	2.2	4,591	1.8	4,687	3,892	3,518	4,566	6,291
Mar.	5,094	2.0	3,637	1.4	4,446	3,176	2,767	3,789	4,009
Apr.	4,843	1.9	3,761	1.5	3,474	2,895	2,590	4,053	5,795
May	4,592	1.8	4,194	1.6	4,913	3,322	2,765	3,868	6,101
June	4,984	1.9	4,517	1.8	4,924	8,823	1,492	4,395	2,949
July	9,005	3.5	9,014	3.5	7,960	8,993	9,853	9,087	9,176
Aug.	13,989	5.5	11,333	4.4	9,105	15,186	13,043	10,500	8,829
Sept.	32,729	12.8	27,949	10.9	19,201	44,344	31,362	25,712	19,125
Oct.	118,050	46.2	137,906	53.6	147,960	89,377	149,247	143,179	159,768
Nov.	34,154	13.4	29,723	11.6	38,740	27,074	25,081	26,976	30,742
Dec.	14,327	5.6	12,530	4.9	11,258	10,164	11,859	15,312	14,055
Total	255,725	100.0	257,284	100.0	263,157	223,181	262,220	260,070	277,793

Source: Statistics Canada.

Grapes (Vinifera): Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -									
Jan.	8,293	3.3	7,977	3.1	5,995	5,865	8,562	8,615	10,849
Feb.	5,528	2.2	4,439	1.7	4,131	3,850	3,473	4,530	6,212
Mar.	5,028	2.0	3,585	1.4	4,404	3,072	2,747	3,696	4,009
Apr.	4,802	1.9	3,708	1.5	3,372	2,886	2,590	3,905	5,788
May	4,550	1.8	4,165	1.6	4,875	3,322	2,719	3,862	6,048
June	4,958	2.0	4,383	1.7	4,704	8,484	1,431	4,347	2,948
July	8,700	3.4	8,745	3.4	7,158	8,954	9,724	8,929	8,959
Aug.	13,772	5.5	11,075	4.3	8,164	14,994	13,012	10,475	8,729
Sept.	31,839	12.7	27,714	10.9	18,963	44,128	30,929	25,699	18,851
Oct.	116,026	46.2	137,355	53.9	147,466	88,868	148,178	142,897	159,367
Nov.	33,620	13.4	29,386	11.5	38,532	26,043	24,857	26,785	30,713
Dec.	14,076	5.6	12,399	4.9	11,114	10,004	11,734	15,192	13,949
Total	251,193	100.0	254,931	100.0	258,877	220,470	259,955	258,931	276,422

Source: Customs documents, tabulated by Statistics Canada.

Appendix Table 9

Grapes (Labrusca): Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -									
Jan.	48	1.1	153	6.5	493	70	80	19	103
Feb.	86	1.9	152	6.4	556	42	46	37	79
Mar.	66	1.5	52	2.2	42	105	20	93	-
Apr.	42	0.9	53	2.3	102	8	1	148	7
May	43	0.9	29	1.2	38	*	46	6	53
June	25	0.6	134	5.7	220	339	61	48	1
July	305	6.7	269	11.4	802	39	129	157	217
Aug.	217	4.8	258	11.0	941	192	31	25	100
Sept.	890	19.6	235	10.0	239	217	433	13	274
Oct.	2,024	44.7	551	23.4	494	509	1,069	282	401
Nov.	534	11.8	337	14.3	208	1,031	223	192	30
Dec.	251	5.5	131	5.6	144	160	125	120	106
Total	4,531	100.0	2,353	100.0	4,279	2,712	2,264	1,139	1,371

Source: Customs documents tabulated by Statistics Canada.

Appendix Table 10

Grapes: Percentage Distribution of Imports to Fresh Market from United States, by State of Origin, by Region, 1972-1974

	<u>Arizona</u>	<u>California</u>	<u>Washington</u>	<u>Others</u>	<u>Total</u>
<u>1972</u>					
Atlantic Region	-	100.0	-	-	100.0
Central Region	3.0	97.0	-	-	100.0
Western Region	1.2	97.6	0.9	0.3	100.0
Canada	2.4	97.3	0.2	0.1	100.0
<u>1973</u>					
Atlantic Region	1.6	98.4	-	-	100.0
Central Region	3.3	96.7	-	-	100.0
Western Region	0.1	98.9	1.0	-	100.0
Canada	2.6	97.2	0.2	-	100.0
<u>1974</u>					
Atlantic Region	-	100.0	-	-	100.0
Central Region	1.4	98.6	-	-	100.0
Western Region	-	99.5	0.5	*	100.0
Canada	1.0	98.9	0.1	*	100.0

Source: Agriculture Canada.

Grapes: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -		
1966	14,966	-	14,966
1967	23,158	1	23,159
1968	7,748	4	7,752
1969	17,316	7	17,324
1970	13,387	3	13,390
Average 1966-70	15,315	3	15,318
1971	2,556	5	2,561
1972	1,120	1	1,121
1973	1,918	5	1,923
1974	7,299	2	7,302
1975	211	1	212
Average 1971-75	2,621	3	2,624

Source: Statistics Canada.

Appendix Table 12

Grapes: Exports by Month, 1966-1975

	<u>Average 1966-70</u>	<u>%</u>	<u>Average 1971-75</u>	<u>%</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -								
Jan.	9	0.1	8	0.3	-	40	-	*	-
Feb.	-	-	*	*	-	-	-	1	-
Mar.	-	-	-	-	-	-	-	-	-
Apr.	*	*	*	*	*	-	-	-	-
May	15	0.1	22	0.8	14	96	1	*	-
June	-	-	1	*	2	-	-	3	*
July	6	*	*	*	1	-	*	-	-
Aug.	*	*	*	*	-	*	*	1	1
Sept.	1,678	11.0	409	15.6	128	215	328	1,299	78
Oct.	13,135	85.7	1,947	74.2	1,303	767	1,594	5,998	73
Nov.	474	3.1	235	9.0	1,112	3	1	-	59
Dec.	*	*	*	*	*	-	-	-	-
Total	15,318	100.0	2,624	100.0	2,561	1,121	1,923	7,302	212

Source: Statistics Canada.

Grapes: Exports by Province and Region, 1972-1975

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -			
Atlantic Region	1	4	2	1
N.S.	1	4	2	1
Central Region	1,120	1,919	7,300	211
Que.	97	10	3	-
Ont.	1,023	1,909	7,297	211
Western Region	-	-	-	*
B.C.	-	-	-	*
Canada	1,121	1,923	7,302	212

Source: Statistics Canada.



[illegible]

- (a) Perlette, lug 22 pounds.
- (b) Thompson Seedless, lug 23 pounds.
- (c) Lug 20 pounds, wrapped.

Source: Agriculture Canada.



## Grapes: Wholesale to Retail Prices at Toronto and Winnipeg, 1974

Week Ending	Toronto				Winnipeg			
	S. Africa	Chile	Cal.	Ont. Blue	S. Africa	Chile	Cal.	Ont. B.C.
	Barlinka Seedless Emperor	Emperor	Thompson	m/c	Barlinka	Red	Red	Blue
	- lug 15 lb. -	- lug 22-23 lb. -	Seedless 4x4 qt.	4x4 qt.	lug 10 lb.	Emperor	Seedless	4x4 qt. m/c
				22 lb.	lug 20 lb.	- lug 22-23 lb. -		22 lb.
Jan. 4			28.8				30.4	
11			27.7				28.3	
18			28.2				30.4	
25			28.8				30.4	
Feb. 1			26.7				29.3	
8			28.8				30.4	
15			28.8				29.3	
22			26.7				28.8	
Mar. 1			26.7					
8			28.6	67.5 (a)			29.3 (c)	
15			28.8				30.4 (c)	
22			28.8				32.1 (c)	
29		61.2	28.8	57.5 (a)				
Apr. 5				58.5 (a)				
12	45.9			64.2 (a)	67.3			
19	45.9	77.5	65.9				31.0 (d)	
26	45.9	73.3	65.9		70.0		33.7 (d)	
May 3	45.2	85.0	65.9		70.0		30.1 (d)	
10	44.2	85.0	65.9		69.5		31.7 (d)	
17	44.2		65.9		69.5	81.3	31.7 (d)	
24	44.2		65.9		68.0	74.4		
31	44.2		65.9		68.0	75.0		
June 7	44.2	71.7	71.0		70.0			72.7 (e)
14	44.2	71.7	71.7		70.0			60.8 (e)
21								55.1 (e)
28								53.8 (e)

- cents per pound -



Grapes: Wholesale to Retail Prices at Vancouver, 1974

<u>Week Ending</u>	<u>Vancouver</u>			
	<u>S. Africa</u>	<u>Chile</u>	<u>Cal.</u>	<u>B.C.</u>
	Barlinka lug 11 lb.	Seedless lug 16 lb.	Emperor lug 23 lb.	Green Seedless lug 23 lb. Blue 4x4 lb. bskt
			- cents per pound -	
Jan. 4			32.4	
11			32.5	
18			32.5	
25			32.5	
Feb. 1			32.5	
8			32.5	
15			32.5	
22			32.5	
May 1			33.2	
8			33.2	
15		87.5	33.0	
22		88.3	36.4	
29		85.8	37.0	
Apr. 5		82.1	38.7	
12		83.6	38.7	
19	68.5			
26	68.5			
May 3				
10				
17	69.5			
24	71.6			
31	71.6			
June 7	70.5			
14				
21				
28				56.5

## Grapes: Wholesale to Retail Prices at Vancouver, 1974

Week Ending	S. Africa		Chile		Cal.		B.C.
	Barlinka lug 11 lb.	Seedless lug 16 lb.	Emperor lug 23 lb.	Green Seedless lug 23 lb.			

(a) Red Emperors.

Source: Agriculture Canada.

Imported United States Grapes: Total Landed Cost; Cost of f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Toronto; Selected Data by Month, 1972-1974

Month of Shipment	1972				1973				1974						
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
January	-	-	-	-	-	-	-	-	-	-	Calif.	27.9	4.2	-	27.1
June	-	-	-	-	-	-	-	-	-	-	Calif.	42.1	4.4	-	46.5
	-	-	-	-	-	-	-	-	-	-	"	39.4	4.4	-	43.8
	-	-	-	-	-	-	-	-	-	-	"	41.5	4.4	-	45.9
	-	-	-	-	-	-	-	-	-	-	"	39.5	6.5	-	46.0
July	-	-	-	-	-	-	-	-	-	-	Calif.	32.4	6.5	-	39.0
August	Calif.	26.6	4.3	-	30.9	Calif.	25.3	4.0	-	29.3	Calif.	33.3	6.5	-	39.8
	"	29.2	4.2	-	33.4	-	-	-	-	-	"	30.0	4.8	-	34.8
	"	30.7	4.4	-	35.1	-	-	-	-	-	"	25.7	5.4	-	31.1
	"	27.3	4.3	-	31.6	-	-	-	-	-	"	27.1	4.6	-	31.7
September	Calif.	22.6	4.3	-	26.9	Calif.	16.8	4.1	-	20.9	Calif.	18.2	5.9	-	24.1
	"	26.6	4.1	-	30.7	"	17.9	5.0	-	22.9	"	23.1	4.8	-	27.9
	"	30.7	3.9	-	24.6	"	24.0	4.1	-	28.1	"	25.8	4.7	-	30.5
	"	27.3	4.0	-	31.3	"	28.8	5.8	-	34.7	"	25.2	4.9	-	29.9
October	Calif.	20.6	4.3	-	24.9	Calif.	18.8	4.1	-	22.9	Calif.	14.1	4.8	-	18.9
	"	25.9	4.2	-	30.1	"	20.5	4.1	-	24.6	"	22.9	4.6	-	27.5
	"	27.7	3.9	-	31.6	"	22.4	4.2	-	26.5	"	24.8	4.6	-	29.4
	"	26.3	4.2	-	30.5	"	23.1	4.2	-	27.3	"	26.2	5.4	-	31.6









Grapes: Production Farm Value and Farm Value per Pound,  
United States, by States 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production '000 lb. -						
California		7,068,000	4,532,000	7,774,000	7,574,000	6,737,000
Michigan		138,000	106,000	47,000	95,000	96,500
New York		400,000	206,000	256,000	354,000	304,000
Pennsylvania		114,000	75,200	80,000	106,000	93,800
Washington		158,800	124,200	138,400	161,000	145,600
Other States		114,640	95,900	90,900	93,000	98,610
Total	6,944,564	7,993,440	5,139,300	8,386,300	8,383,000	7,475,510
- Farm Value \$'000 -						
California		309,468	364,958	612,534	493,126	445,022
Michigan		8,280	8,798	4,630	8,740	7,612
New York		32,000	19,158	28,288	38,763	29,552
Pennsylvania		7,011	6,467	8,840	10,494	8,203
Washington		10,004	9,563	12,802	12,880	11,312
Other States		14,857	14,143	12,985	16,406	14,598
Total	246,998	381,620	423,087	680,079	580,409	516,299
- Farm Value ¢ per lb. -						
California		4.4	8.1	7.9	6.5	6.6
Michigan		6.0	8.3	9.9	9.2	7.9
New York		8.0	9.3	11.1	11.0	9.7
Pennsylvania		6.2	8.6	11.1	9.9	8.7
Washington		6.3	7.7	9.3	8.0	7.8
Other States		13.0	14.7	14.3	17.6	14.8
Total	3.6	4.8	8.2	8.1	6.9	6.9

Source: U.S. Department of Agriculture.

Grapes: Utilization of Production, United States,  
by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
<u>Fresh:</u>	- Production '000 lb. -				
California	763,400	646,200	755,400	809,400	743,600
Michigan	6,800	5,600	3,200	4,000	4,900
New York	4,000	3,800	3,600	3,800	3,800
Pennsylvania	4,340	4,550	4,780	2,550	4,055
Washington	2,200	2,000	1,800	2,000	2,000
Other States	<u>39,160</u>	<u>37,020</u>	<u>32,430</u>	<u>32,630</u>	<u>35,310</u>
Total	819,900	699,170	801,210	854,380	793,665
<u>Canned:</u> (a)					
California	<u>116,800</u>	<u>101,000</u>	<u>118,000</u>	<u>122,400</u>	<u>114,550</u>
Total	116,800	101,000	118,000	122,400	114,550
<u>Wine:</u>					
California	4,426,000	2,910,000	4,962,000	4,594,600	4,223,150
Michigan	12,000	9,400	8,200	10,900	10,125
New York	139,000	84,600	122,200	177,200	130,750
Other States	<u>42,480</u>	<u>36,380</u>	<u>42,256</u>	<u>48,722</u>	<u>42,460</u>
Total	4,619,480	3,040,380	5,134,656	4,831,422	4,406,485
<u>Dried:</u>					
California	<u>1,761,800</u>	<u>874,800</u>	<u>1,938,600</u>	<u>2,047,600</u>	<u>1,655,700</u>
Total	1,761,800	874,800	1,938,600	2,047,600	1,655,700
<u>Other</u> (b)					
Michigan	119,200	91,000	35,600	80,100	81,475
New York	257,000	117,600	130,200	173,000	169,450
Pennsylvania	104,720	65,950	66,734	84,434	80,460
Washington	151,400	116,400	132,400	153,000	138,300
Other States	<u>43,140</u>	<u>33,000</u>	<u>28,900</u>	<u>36,664</u>	<u>35,426</u>
Total	675,460	423,950	393,834	527,198	505,111

(a) Raisin varieties.

(b) Juices, jams, jelly, etc.

Source: U.S. Department of Agriculture.

Grapes (Vites Labrusca): Dates of Application and Removal of the Seasonal,  
Specific Duty, by Tariff Region, 1966-1975

Year <sup>(a)</sup>	Maritime Provinces			Central Canada <sup>(b)</sup>			Western Canada <sup>(c)</sup>		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	Sept. 7	Nov. 17	71	Sept. 16	Nov. 17	62
1967	-	-	-	Sept. 12	Dec. 26	105	Sept. 14	Dec. 5	82
1968	-	-	-	Sept. 12	Dec. 19	98	Sept. 6	Dec. 19	104
1969	-	-	-	Aug. 27	Dec. 10	105	Aug. 14	Nov. 20	98
1970	-	-	-	-	-	-	Aug. 13	Nov. 26	105
1971	-	-	-	Aug. 31	Nov. 18	79	Aug. 11	Nov. 23	104
1972	-	-	-	Sept. 1	Dec. 15	105	Aug. 15	Nov. 28	106
1973	-	-	-	-	-	-	Aug. 15	Nov. 28	105
1974	-	-	-	Sept. 10	Dec. 23	104	Aug. 22	Dec. 4	104
1975	-	-	-	Sept. 12	Dec. 25	104	Sept. 3	Dec. 16	104

<sup>(a)</sup> Government fiscal year commencing April 1st; ending March 31st of following year.

<sup>(b)</sup> Includes Quebec and Ontario east of Thunder Bay, Ontario.

<sup>(c)</sup> Includes Thunder Bay and west thereof.

Source: National Revenue.



MUSKMELONS AND CANTALOUPE

Table of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	187
Acreage, Production and Farm Value .....	188
Supply and Disposition .....	189
Imports .....	189
Exports .....	191
Prices .....	191
Canada-United States Comparisons .....	191
Tariff Considerations .....	192
Conclusions .....	193
Recommendations .....	194
Appendix Tables .....	195





### MUSKMELONS AND CANTALOUPE

The muskmelon (Cucumis melo), one type of which is known in Canada as the cantaloupe, is native to the Near East. It is believed to have been introduced to Europe from Egypt via Rome in the first century A.D. Muskmelons were introduced to North America in the sixteenth century, however, commercial production did not begin in the United States until around 1870.

Muskmelons are divided into some 10 botanical varieties that differ not only in fruit, but also in mode of growth. In Canada, the only variety grown commercially is C. melo, var. reticulatus. It is small, oval and heavy-netted. Honeydews and winter melons, such as Casabas and Persians, are of the botanical variety C. melo var. inodorus. They require a long growing season so it is not practical to grow them commercially in Canada.

The muskmelon is a minor crop in Canada and was estimated to be worth about \$120,000 per year during 1971-74.

### GROWING, HARVESTING AND MARKETING

Muskmelons are susceptible to cold and require high summer temperatures for best growing results. For maximum yields, a growing season of 130 to 140 days with mean temperatures of 16° to 21°C is necessary. Main commercial varieties of cantaloupes produce their first mature melons about 80 to 115 days after planting from seed. In Canada, where the only muskmelons grown commercially are cantaloupes, early crops are usually started in hotbeds or greenhouses, five weeks before transplanting outdoors. Cantaloupes are then generally ready for harvest by early August. Crops grown by direct seeding are not normally harvested until late August.

Cantaloupe vines need a great deal of moisture from the time vigorous growth begins until melons are full grown. However, over-watering just before and during the ripening period harms the crop and heavy or unseasonable rains at this time have caused severe losses in some years. In areas with inadequate rainfall, irrigation is beneficial. In the United States, Canada's major supplier of muskmelons and cantaloupes, most growers use irrigation.

Although soil characteristics are not as important as climatic conditions, well-drained, sandy-type soils are preferred for early crops. In Canada, production is concentrated in south-western Ontario, especially on the sandy loam soils in the southern part of Essex county. Cantaloupes are harvested in Canada during August and September.

Muskmelons are harvested at three stages of maturity depending on the distance from the point of consumption. The first is the "full slip" or "hard ripe" stage which occurs when the entire stem separates from the melon under slight pressure and leaves a clean stem scar. The melon is still firm and yellow green. The "choice" or "showing good colour" stage is when muskmelons are full slip and yellowish. "Full ripe" is the third stage. Muskmelons for distant

markets, i.e., U.S. cantaloupes shipped to Canada, are harvested at "full slip." "Choice" melons are shipped to local markets, while "full ripe" melons are normally sold at roadside stands. Muskmelons are hand-harvested which is why the cost of labour is the most significant element in production costs.

Most Canadian growers cultivate one acre or less and many sell the produce at roadside stands. Others sell to local retail outlets and a few sell to wholesalers for resale elsewhere. The limited crop and lack of continuity of supply are some of the reasons wholesalers prefer imports. Hence, most muskmelons consumed in Canada are imported and sold through retail outlets. Canadian and most U.S. cantaloupes are usually sold fresh. A very small quantity of U.S. cantaloupes goes into frozen mixed fruit.

The two most important types of cantaloupes consumed in Canada are the "Bender" and "Hales Best." The "Bender" types are grown in Ontario mostly for local consumption and are usually not suitable for distant shipment. On the other hand, "Hales Best" types can be harvested at "full slip" and shipped long distances arriving in prime condition. These are not grown domestically but are imported from the United States and Central and South America.

Cantaloupes do not store well. Even at optimum temperatures, storage is limited to about two weeks.

#### ACREAGE, PRODUCTION AND FARM VALUE

Commercial production of cantaloupes is limited to Ontario where growers have been switching to other crops that give more consistent yields and higher gross returns. As a result, acreage has steadily declined. During 1971-74, an average of 154 acres was in cantaloupes, 73 per cent less than in 1961-65. Although yields were slightly higher in 1971-74 than in 1961-65, the lower acreage under cultivation resulted in a sharp reduction in output, 64 per cent in volume and 60 per cent in value. The volume of production declined from an annual average of 6.1 million pounds during 1961-65 to 2.2 million during 1971-74.

Average unit farm values have risen considerably during recent years, as has generally been the case for all fruits and vegetables. The average farm-gate return in 1974 was 7.5 cents per pound which compares with an average of 4.9 cents during the period 1961-65. The 1974 crop was valued at \$120 thousand at the farm level.

Table 1: Cantaloupes: Acreage, Production, Yield per Acre, Farm Value and Farm Value per Pound, Ontario, 1961-1974

<u>Average</u> <u>1961-65</u>	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>	% Change 1961-65 to 1971-74
- Acreage -							
572	246	168	165	154	127	154	-73.1
- Production, '000 lb. -							
6,083	3,124	4,135	1,652	1,214	1,708	2,177	-64.2
- Average Yield, lb. -							
10,635	12,699	24,613	10,012	7,883	13,449	14,136	+32.9
- Farm Value, \$'000 -							
301	171	211	72	70	128	120	-60.1
- Farm Value, ¢ per lb. -							
4.9	5.5	5.1	4.4	5.8	7.5	5.5	+12.2

Source: Ontario Ministry of Agriculture and Food.

#### SUPPLY AND DISPOSITION

Canadian consumption of cantaloupes and muskmelons increased substantially during the period under review, from an annual average of 43.9 million pounds during 1961-65 to 65.9 million pounds during 1971-74 (see Table 2). It is readily apparent that the declining volume of domestic production accounts for a very small and diminishing proportion of the domestic market. Imports amounted to 38.1 million pounds or 87 per cent of consumption during 1961-65 and by 1971-74 totalled 63.8 million or 98 per cent. During the Canadian production period this level of import penetration is somewhat less, but still in excess of 90 per cent for the period 1971-74 (Appendix Table 3).

#### IMPORTS

In 1975, imports of muskmelons reached 67 million pounds (see Appendix Table 4). Data indicate that from March to May, inclusive, domestic demand is met mostly by shipments from Mexico, and by countries in South and Central America. As the season progresses in the United States, shipments from Texas, California, and Arizona begin to arrive in Canada, and from July to November the United States is the sole foreign supplier with shipments from several states. California is, however, by far the largest supplier to Canada (Appendix Table 7).

Table 2: Cantaloupes and Muskmelons: Supply and Disposition, Canada 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
				- '000 lb. -				
Total Production (a)	6,083	3,124	4,135	1,652	1,214	1,708	2,177	-64.2
Total Imports	38,106	50,623	52,885	68,112	67,745	66,449	63,798	+67.4
Fresh	38,106	50,623	52,885	68,112	67,745	66,449	63,798	+67.4
Total Supply Available	44,189	53,747	57,020	69,764	68,959	68,157	65,975	+49.3
Total Exports (a)	271	106	89	79	92	93	88	-67.5
Total Domestic Disappearance	43,918	53,641	56,931	69,685	68,867	68,064	65,887	+50.0

(a) Cantaloupes only.

Source: Derived from Statistics Canada, Agriculture Canada and the Ontario Ministry of Agriculture and Food data.

An examination of unload figures for 1974 indicates that Canadian cantaloupes were sold in Quebec City, Montreal, Ottawa and Toronto. The Atlantic and western provinces were supplied entirely by imports. The Atlantic region accounted for 1.5 per cent of total cantaloupe and muskmelon imports, western Canada for nearly 30 per cent, and the remaining 70 per cent or so is imported into the central region (Appendix Table 5).

#### EXPORTS

Canadian cantaloupes are exported to the United States only. The volume is small and has been declining; Canadian growers exported 99,000 pounds during 1971-75 compared with 106,000 during 1966-70 (see Appendix Table 8). The exports are probably destined to border locations because the variety grown in Ontario does not keep well when shipped long distances.

#### PRICES

The average farm value of domestic cantaloupes in 1974 was 7.5 cents per pound. The wholesale-to-retail price in Toronto of the domestic product ranged from 19.4 to 23.2 cents per pound, and in Montreal from 31.9 to 34.1 cents. Wholesale-to-retail price quotations confirm that domestic cantaloupes are available for a brief period of time and that imports are the dominant factor on the market. Whenever the imported and domestic products are available at the same time, the wholesale-to-retail price for the former is lower (Appendix Table 9a).

The Board, through a field survey, collected information on the landed cost of cantaloupes in Toronto, and the breakdown of that cost into the f.o.b. costs, the cost of freight, brokerage and other associated costs and the cost of the duty (Appendix Table 10). These data indicate that cantaloupes and muskmelons are a relatively bulky, low-value fruit, which incur considerable transportation costs. In 1974, such costs ranged from 3.5-4.9 cents on imports from California and were equivalent to 30-60 per cent of the f.o.b. cost. There are, of course, transportation costs attached to the marketing of domestic cantaloupes as well; these are likely less and thus the Canadian grower receives, to some extent, protection from his proximity to the market.

#### CANADA-UNITED STATES COMPARISONS

During 1971-74, the United States had a yearly average of 89,638 acres producing cantaloupes and other muskmelons (see Appendix Table 11) while Canada had an average of 154 acres producing cantaloupes only. In terms of production, the comparison for the period 1971-74 is 1.2 billion pounds as against 2 million pounds.

Although in exceptional years, such as 1971, Canadian growers realize a higher yield than the average grower in the United States, this is usually not the case, especially when compared to California, the main U.S. growing area, which averaged 15,564 pounds during 1971-74. The extreme fluctuations in Canadian yields, from 24,613 pounds in 1971 to 7,883 pounds in 1973, point out the sensitivity of this crop to weather and climate.

TARIFF CONSIDERATIONS

Fresh cantaloupes and muskmelons entering Canada are dutiable under tariff item 9500-1 as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Cantaloupes and muskmelons, the weight of the packages to be included in the weight for duty ..... per pound	Free	1½ cts. or Free	1½ cts. or Free

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 8 weeks, and the Free rate shall apply whenever the specific duty is not in effect.

This item is bound under GATT and has existed in its present form since 1959. The reduction since 1930 in the rate of duties under the Most-Favoured-Nation and General Tariff are shown in Table 3. The table includes only those changes introduced by Statute or by Trade Agreement which affected applicable rates of duties. Rates are shown as per cent ad valorem or cents per pound; when a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

Table 3: Cantaloupes and Muskmelons: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free (b)	15 p.c.	20 p.c. (c)
1939, Jan. 1 United States Trade Agreement		10 p.c.	
1948, Jan. 1 GATT		1½ cts. (8 weeks) (d) or 10 p.c.	
1950, June 1 Statutory Change	Free	1½ cts. (8 weeks) or 10 p.c.	1½ cts. (8 weeks) or 10 p.c.
1959, April 10 Statutory Change	Free	1½ cts. (8 weeks) or Free	1½ cts. (8 weeks) or Free

(a) Applicable to imports from the United States until December 31, 1935.

(b) Under our South African Trade Agreement, in effect since June 30, 1933, Canada is bound to afford free entry to cantaloupes and muskmelons imported from that country.

(c) Not less than 1½ cts., July 20-October 31.

(d) Not applied until 1950.

Source: Canadian Customs Tariff.



Under the U.S. tariff, cantaloupes are classified under item 148.10. The rate of duty on imports from Canada is 20 per cent ad valorem if entered from August 1 to September 15, and 35 per cent if entered at any other time. Since Canada's production comes to market mainly in August and September, Canadian cantaloupes although exported in small quantities would benefit from the lower rate.

The Canadian Horticultural Council proposed an increase in the M.F.N. seasonal rate of duty from  $1\frac{1}{4}$  cents to 2 cents per pound but not less than 20 per cent ad valorem. They proposed also that the B.P. rate remain Free. The more general representations of the Canadian Importers Association Inc., the National Farmers Union and the Consumers' Association of Canada also apply to cantaloupes and muskmelons.

The seasonal duty of  $1\frac{1}{4}$  cents per pound has not been applied after 1971. From 1966 to 1971 it was, moreover, applied only in the central tariff region, with the sole exception of 1967 when it was also in effect in the western region. The period of application was the maximum of eight weeks, except for 1967 when the dutiable period was seven weeks. There was no erosion of the ad valorem equivalent of the specific duty during the years 1966-1971 when it was applied. However, had the seasonal duty been in effect in subsequent years the level of protection provided by it would have dropped considerably, from 22.7 per cent in 1971 to 13.9 per cent in 1975, as average unit f.o.b. import values rose substantially (Appendix Table 13).

The specific duty recommended by The Canadian Horticultural Council of 2 cents per pound would, on the basis of 1975 unit import values, have an ad valorem equivalent of 22 per cent and would, thus, compensate for the erosion experienced during the 1970s. The minimum seasonal ad valorem rate of 20 per cent proposed would come into effect when the f.o.b. value of imported cantaloupes and muskmelons is 10 cents per pound. This proposed minimum would probably already be the effective rate, if implemented.

A seasonal duty of 2 cents per pound as proposed by the Council, with reference to earlier years when it was applied, would increase the duty by  $\frac{3}{4}$  cent per pound. Relative to recent years, when it was not applied and entry during the Canadian production season was duty-free, the increase would be the full 2 cents per pound. Acceptance of the Council's recommendation would, therefore, add to the cost of cantaloupes and muskmelons for Canadian consumers. Moreover, unless Canadian growers increase their share of the on-season market greatly, the bulk of the additional protection will accrue to government in higher duties, and the benefit to growers will be small.

#### CONCLUSIONS

Cantaloupes are a risky crop even when grown under the relatively favourable climatic conditions of south-western Ontario. The Board concludes, therefore, that the small-scale commercial production of cantaloupes in Canada cannot compete with the large, mostly irrigated acreages in the more southern growing regions in the United States. Canadian production has dropped sharply during the period



under review and supplies less than 10 per cent of domestic demand even during the growing season. It is the opinion of the Board that implementation of the specific duty of 2 cents per pound proposed by The Canadian Horticultural Council would be unlikely to change this situation. Moreover, the seasonal duty has not been applied at all since 1971. The Board recommends that cantaloupes and muskmelons enter free of duty under all tariffs.

Since Canada produces only cantaloupes, it is further recommended, for statistical and future considerations, to establish a tariff item restricted to C. melo var. reticulatus, with other varieties of muskmelons entering under tariff item 9505-1 "Melons, n.o.p."

#### RECOMMENDATIONS

The Board recommends that the nomenclature and rates of duty for tariff item 9500-1 be replaced by the following:

	British Prefer- ential <u>Tariff</u>	Most- Favoured- Nation <u>Tariff</u>	General <u>Tariff</u>
Cantaloupes .....	Free	Free	Free

Cantaloupes and Muskmelons: Supply and Disposition Ratios, Canada, 1961-1974

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- per cent -						
<u>Per Cent of Domestic Production:</u>							
Sold to Domestic Fresh Market	95.5	96.6	97.8	95.2	92.4	94.6	96.0
Exported	4.5	3.4	2.2	4.8	7.6	5.4	4.0
<u>Total Imports as Per Cent:</u>							
of Total Supply Available	86.2	94.2	92.7	97.6	98.2	97.5	96.7
of Total Domestic Disappearance	86.8	94.4	92.9	97.7	98.4	97.6	96.8
<u>Net Imports (a) as % of Total</u>							
Domestic Disappearance	86.1	94.2	92.7	97.6	98.2	97.5	96.7
<u>Production as % of Total</u>							
Domestic Disappearance	13.9	5.8	7.3	2.4	1.8	2.5	3.3

(a) Total imports minus total exports.

Source: Table 2.

Cantaloupes and Muskmelons<sup>(a)</sup>: Estimated Monthly Distribution of Fresh Shipments<sup>(b)</sup>, 1966-1974

	Average 1966-70	Average 1971-74	1971	1972	1973	1974
- thousand pounds -						
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	30	11	-	-	-	45
Aug.	1,875	1,349	3,095	654	1,039	606
Sept.	1,056	715	951	860	83	964
Oct.	57	15	-	58	-	-
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
Year	3,018	2,089	4,046	1,573	1,122	1,615

(a) Cantaloupe only.

(b) Domestic production for domestic fresh market sale.

Source: Derived from Agriculture Canada and the Ontario Ministry of Agriculture and Food data.

Cantaloupes and Muskmelons<sup>(a)</sup>: Estimated Monthly Distribution of Fresh Consumption, 1961-1974

	Average 1961-65	Average 1966-70	Average 1971-74			
	Imports as % of Con- sumption	Imports as % of Con- sumption	From Domestic Produc- tion	From Imports	Total Consump- tion	Imports as % of Con- sumption
- per cent -			- thousand pounds -			per cent
Jan.	100.0	100.0	-	201	201	100.0
Feb.	100.0	100.0	-	282	282	100.0
Mar.	100.0	100.0	-	1,823	1,823	100.0
Apr.	100.0	100.0	-	3,133	3,133	100.0
May	100.0	100.0	-	5,434	5,434	100.0
June	100.0	100.0	-	9,223	9,223	100.0
July	99.3	99.8	11	11,484	11,495	99.9
Aug.	70.3	86.5	1,349	15,306	16,655	91.9
Sept.	74.5	87.6	715	8,361	9,076	92.1
Oct.	95.6	98.2	15	5,723	5,738	99.7
Nov.	100.0	100.0	-	2,397	2,397	100.0
Dec.	100.0	100.0	-	429	429	100.0
Total	86.8	94.4	2,089	63,798	65,887	96.8

(a) Domestic production for cantaloupes only.

Source: Derived from Statistics Canada, Agriculture Canada and the Ontario Ministry of Agriculture and Food data.

Appendix Table 4

Cantaloupes and Muskmelons: Imports by Country of Origin,  
1966-1975

	<u>United States</u>	<u>Mexico</u>	<u>Ecuador</u>	<u>Chile</u>	<u>Others</u>	<u>Total</u>
- thousand pounds -						
1966	28,111	9,859	-	-	13	37,983
1967	35,588	11,968	-	-	358	47,914
1968	44,923	8,744	-	-	-	53,668
1969	49,044	9,359	-	-	-	58,402
1970	46,160	8,987	-	-	-	55,148
Average 1966-70	40,765	9,783	-	-	74	50,623
1971	44,440	8,277	70	-	98	52,885
1972	57,984	9,454	271	165	238	68,112
1973	55,240	11,640	253	182	429	67,745
1974	53,274	12,380	355	80	360	66,449
1975	55,461	10,971	315	2	307	67,056
Average 1971-75	53,280	10,544	253	86	286	64,449

Source: Statistics Canada.

Appendix Table 5

Cantaloupes and Muskmelons: Imports by Province and Region,  
1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -						
Atlantic Region	641	551	972	1,392	1,256	1,051
Nfld.	1	4	15	28	20	2
P.E.I.	11	9	31	17	9	11
N.S.	298	235	425	522	467	377
N.B.	330	303	501	825	760	661
Central Region	35,232	33,747	46,336	46,739	45,699	46,676
Que.	12,871	12,679	15,445	16,461	15,402	18,483
Ont.	22,361	21,068	30,891	30,278	30,297	28,193
Western Region	14,750	18,589	20,804	19,613	19,495	19,329
Man.	1,966	3,172	3,501	3,513	2,965	3,331
Sask.	1,273	1,432	1,575	2,232	2,744	2,752
Alta.	4,261	5,495	6,178	5,410	5,413	5,505
B.C.	7,250	8,490	9,550	8,458	8,373	7,741
Canada	50,623	52,885	68,112	67,745	66,449	67,056

Source: Statistics Canada.

Cantaloupes and Muskmelons: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	61	0.1	218	0.3	30	271	504	286
Feb.	33	0.1	339	0.5	260	313	492	566
Mar.	538	1.1	1,911	3.0	1,564	2,571	2,216	2,260
Apr.	2,091	4.1	3,213	5.0	2,885	3,236	3,140	3,531
May	3,870	7.6	5,409	8.4	5,191	5,535	6,503	5,310
June	7,659	15.1	9,283	14.4	13,619	7,754	8,663	9,522
July	12,039	23.8	11,030	17.1	10,971	12,887	11,581	9,211
Aug.	11,988	23.7	15,303	23.7	17,065	14,330	16,639	15,291
Sept.	7,483	14.8	8,706	13.5	7,956	9,740	8,408	10,087
Oct.	3,072	6.1	5,864	9.1	5,521	7,346	5,594	6,426
Nov.	1,553	3.1	2,575	4.0	2,549	3,140	2,244	3,289
Dec.	236	0.5	599	0.9	499	624	465	1,276
Total	50,623	100.0	64,449	100.0	68,112	67,745	66,449	67,056

Source: Statistics Canada.

Appendix Table 7

Cantaloupes and Muskmelons<sup>(a)</sup>: Percentage Distribution of Imports to Fresh Market from the United States and Mexico, by State of Origin, by Region, 1972-1974

	<u>California</u>	<u>Texas</u>	<u>Arizona</u>	<u>Mexico</u>	<u>Others</u>	<u>Total</u>
- per cent -						
<u>1972</u>						
Atlantic Region	81.6	7.8	7.1	3.5	-	100.0
Central Region	69.2	1.1	15.6	14.1	-	100.0
Western Region	74.7	2.1	1.5	21.7	-	100.0
Canada	71.2	1.5	10.7	16.6	-	100.0
<u>1973</u>						
Atlantic Region	55.0	20.0	0.8	24.2	-	100.0
Central Region	69.1	1.2	8.4	21.3	-	100.0
Western Region	67.9	2.1	-	29.9	0.1	100.0
Canada	68.6	1.6	5.7	24.1	*	100.0
<u>1974</u>						
Atlantic Region	67.5	14.1	-	7.3	11.1	100.0
Central Region	62.8	1.1	7.8	28.3	-	100.0
Western Region	68.4	1.6	-	30.0	-	100.0
Canada	64.5	1.3	5.4	28.7	0.1	100.0

<sup>(a)</sup> Cantaloupes only.

Source: Agriculture Canada.

Cantaloupes and Muskmelons<sup>(a)</sup>: Exports by Country of  
Destination, 1966-1975

	<u>United States</u>	<u>Total</u>
- thousand pounds -		
1966	207	207
1967	142	142
1968	24	24
1969	15	15
1970	142	142
Average 1966-70	106	106
1971	89	89
1972	79	79
1973	92	92
1974	93	93
1975	140	140
Average 1971-75	99	99

<sup>(a)</sup> Cantaloupes only.

Source: Agriculture Canada.







Cantaloupes and Muskmelons (a): Weekly Wholesale to Retail Prices at Winnipeg and Vancouver, 1974

Week Ending	Winnipeg		Vancouver	
	Mex. -crt. 45's, 80 lb.-	Cal./Tex. Cal. ctn. 18-30's, 40 lb.	Mex. crt. 45's, 80 lb.	Cal. crt. 45's, 80 lb.
				Cal. crt. 12-23's, 40 lb.
			- cents per pound -	
Mar. 22	20.8		24.5	
29	19.1		21.3	
Apr. 5	19.0		21.3	
12	20.3		23.7	
19	21.3		26.3	
26	23.3		26.3	
May 3	25.6		25.9	
17	19.7			
24	20.2			
June 14				
21			21.9	
28			21.3	
July 12	20.3		21.5	
19	20.9			
26	22.4			
Aug. 16	8.1			17.8
23	9.1			17.8
30	9.1			18.5
Sept. 6		21.3		20.8
13		22.2		22.5
20		23.5		22.5
27		19.4		21.2

Cantaloupes and Muskmelons<sup>(a)</sup>: Weekly Wholesale to Retail Prices at Winnipeg and Vancouver, 1974

Week Ending	Winnipeg		Vancouver	
	Mex. -crt. 45's, 80 lb.-	Cal./Tex. Cal. ctn. 18-30's, 40 lb.	Mex. crt. 45's, 80 lb.	Cal. crt. 45's, 80 lb.
				Cal. crt. 12-23's, 40 lb.
Oct. 4				
11				
18				
25				
Nov. 8				
15				
22				
29				
Dec. 6				
13				
20				
27				

- cents per pound -

(a) Cantaloupes only.  
(b) California only.

Source: Agriculture Canada.

Imported United States Cantaloupes and Muskmelons (a): Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Toronto; Selected Data by Month, 1972-1974

Month of Shipment	1972					1973					1974				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
							- cents per pound								
June	-	-	-	-	-	-	-	-	-	-	Calif.	12.9	4.0	-	16.9
	-	-	-	-	-	-	-	-	-	-	"	12.0	3.6	-	15.6
July	-	-	-	-	-	-	-	-	-	-	Calif.	8.9	4.1	-	13.0
August	Calif.	7.0	3.2	-	10.2	Calif.	7.0	3.3	-	10.3	Calif.	9.0	3.5	-	12.5
	"	7.0	3.2	-	10.2	"	7.7	3.9	-	11.6	"	8.9	4.9	-	13.8
	"	7.1	3.9	-	11.0	-	-	-	-	-	"	8.3	3.7	-	12.0
	-	-	-	-	-	-	-	-	-	-	"	11.4	3.9	-	15.3
September	-	-	-	-	-	Calif.	7.8	3.5	-	11.3	Calif.	12.3	3.9	-	16.2
	-	-	-	-	-	"	7.0	3.4	-	10.4	"	9.3	3.9	-	13.2
	-	-	-	-	-	"	5.6	3.3	-	8.9	"	10.6	4.1	-	14.7
	-	-	-	-	-	"	7.0	3.9	-	10.9	"	7.8	4.7	-	12.5
October	Calif.	6.0	4.7	-	10.7	Calif.	9.1	3.9	-	13.0	Calif.	14.4	4.3	-	18.7
	"	6.4	4.1	-	10.5	"	9.5	3.8	-	13.3	"	13.9	4.3	-	18.2
	"	6.1	4.2	-	10.3	"	9.7	3.7	-	13.4	-	-	-	-	-
	-	-	-	-	-	"	9.4	3.5	-	12.9	-	-	-	-	-
November	Calif.	5.4	4.2	-	9.6	Calif.	9.1	3.5	-	12.6	-	-	-	-	-
	"	7.5	5.8	-	13.3	"	10.3	3.5	-	13.8	-	-	-	-	-
	"	7.6	5.9	-	13.5	"	9.7	3.9	-	13.6	-	-	-	-	-

(a) Cantaloupes only.

Source: Tariff Board survey.

Appendix Table 11

Cantaloupes and Muskmelons<sup>(a)</sup>: Acreage, Yield per Acre, Farm Value and Farm Value per Pound, United States, by States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Acreage -						
Arizona		11,700	11,150	9,300	7,600	9,938
California		52,700	53,900	53,200	36,200	49,000
Texas		19,400	15,700	16,800	13,800	16,425
Other States		<u>15,200</u>	<u>15,800</u>	<u>13,800</u>	<u>12,300</u>	<u>14,275</u>
Total	112,072	99,000	96,550	93,100	69,900	89,638
- Production, '000 lb. -						
Arizona		185,400	139,600	117,600	107,800	137,600
California		765,900	903,700	730,800	650,100	762,625
Texas		149,300	129,200	165,900	121,500	141,475
Other States		<u>124,900</u>	<u>121,900</u>	<u>116,900</u>	<u>93,600</u>	<u>114,325</u>
Total	1,276,120	1,225,500	1,294,400	1,131,200	973,000	1,156,025
- Average Yield lb. -						
Arizona		15,846	12,520	12,645	14,184	13,846
California		14,533	16,766	13,737	17,959	15,564
Texas		7,696	8,229	9,875	8,804	8,613
Other States		<u>8,217</u>	<u>7,715</u>	<u>8,471</u>	<u>7,610</u>	<u>8,009</u>
Total	11,387	12,379	13,407	12,150	13,920	12,897
- Farm Value \$'000 -						
Arizona		15,899	12,311	13,039	13,359	13,652
California		44,826	62,819	53,717	61,412	55,694
Texas		12,625	11,200	16,708	14,502	13,759
Other States		<u>6,818</u>	<u>7,627</u>	<u>7,858</u>	<u>7,907</u>	<u>7,553</u>
Total	76,580	80,168	93,957	91,322	97,180	90,658
- Farm Value ¢ per lb. -						
Arizona		8.6	8.8	11.1	12.4	9.9
California		5.9	7.0	7.4	9.4	7.3
Texas		8.5	8.7	10.1	11.9	9.7
Other States		<u>5.5</u>	<u>6.3</u>	<u>6.7</u>	<u>8.4</u>	<u>6.6</u>
Total	6.0	6.5	7.3	8.1	10.0	7.8

(a) Cantaloupes, casba and persian melons.

Source: U.S. Department of Agriculture.

Cantaloupes and Muskmelons: Dates of Application and Removal of the Seasonal,  
Specific Duty, by Tariff Region, 1966-1975

(a) Year	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	July 28	Sept. 22	56	-	-	-
1967	-	-	-	Aug. 4	Sept. 22	49	Aug. 4	Sept. 22	49
1968	-	-	-	July 26	Sept. 20	56	-	-	-
1969	-	-	-	Aug. 1	Sept. 25	55	-	-	-
1970	-	-	-	July 29	Sept. 23	55	-	-	-
1971	-	-	-	July 30	Sept. 24	56	-	-	-
1972	-	-	-	-	-	-	-	-	-
1973	-	-	-	-	-	-	-	-	-
1974	-	-	-	-	-	-	-	-	-
1975	-	-	-	-	-	-	-	-	-

(a) Government fiscal year commencing April 1st, ending March 31st of following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Cantaloupes and Muskmelons: Dutiable Imports and the Ad Valorem  
Equivalent of the M.F.N. Specific Duty,  
1966-1975

	Total '000 lb.	Non- Dutiable '000 lb.	%	Dutiable '000 lb.	%	Price f.o.b. Dutiable ¢/lb.	M.F.N. Specific Duty ¢/lb.	Ad Valorem Equivalent of M.F.N. Specific Duty %
1966	37,983	33,369	87.9	4,614	12.1	6.7	1.25	18.7
1967	47,914	39,654	82.8	8,260	17.2	4.3	1.25	29.1
1968	58,668	45,477	84.7	8,190	15.3	5.1	1.25	24.5
1969	58,402	49,468	84.7	8,935	15.3	5.3	1.25	23.6
1970	55,148	44,843	81.3	10,304	18.7	4.3	1.25	29.1
Average								
1966-70	50,623	42,562	84.1	8,061	15.9	5.0	1.25	25.0
1971	52,885	44,644	84.4	8,242	15.6	5.5(b)	1.25	22.7
1972	68,112	68,112	100.0	-	-	7.0(b)	(a)	(a)
1973	67,745	67,745	100.0	-	-	7.2(b)	(a)	(a)
1974	66,449	66,449	100.0	-	-	8.9(b)	(a)	(a)
1975	67,056	67,056	100.0	-	-	9.0(b)	(a)	(a)
Average								
1971-75	64,449	62,801	97.4	1,648	2.6	-	(a)	(a)

(a) Seasonal specific duty of 1.25 cents per pound was not applied.

(b) Price f.o.b. for total imports during the months of August and September.

Source: Statistics Canada.





NECTARINES AND QUINCESTable of Contents

	<u>Page</u>
Production and Consumption .....	212
Imports .....	213
Prices .....	214
Canada-United States Comparisons .....	215
Tariff Considerations .....	216
Conclusions .....	218
Recommendations .....	219
Appendix Tables .....	221



### NECTARINES AND QUINCES

Although tariff item 9209-1 was not included by the Minister of Finance in the list of items referred to the Board, it covers nectarines which were the subject of representations by The Canadian Horticultural Council in its written submission and at the public sittings. Quinces, the other fruit named in the item, were not the subject of any specific proposal or representation.

In the Canadian Customs Tariff, quinces and nectarines have been combined in a single tariff item for many years, for no apparent reason. Quinces (Cydonia oblonga or Pyrus cydonia) belong to the same family (Rosaceae) as apples and pears and are sometimes classified in the same genus (Pyrus) as the latter. Nectarines (Prunus persica, var. nectarina) are a smooth-skinned variety of peach (P. persica) belonging to the same genus as peaches and cherries. Because nectarines are essentially peaches without fuzz, the Council sought to bring them into this Reference.

The name "nectarine" originates from the Greek word "nekteo," meaning the drink of the gods in Greek and Roman mythology. Nectar is described in mythology as a crimson-coloured beverage with a surpassingly different taste.

The trees, leaves and seeds (or pits) of nectarines and peaches are indistinguishable except to a botanist. The nectarine, however, is smaller than the peach, has firmer flesh, greater aroma, and a distinct and richer flavour. Varieties of nectarines are similar to those of peaches, being either clingstone or freestone, with red, yellow or white flesh. Nectarines may be used in ways similar to peaches.

Almost all nectarines are used fresh; some are canned or dried. Like peaches, they are not suitable for cold storage, but can be chilled during shipping.

The commercial significance of nectarine production in Canada is currently quite small. Based on information available to the Board, it is estimated that in 1975 less than 1.0 million pounds were produced with a value of less than \$200,000. The per capita consumption of nectarines has been steadily rising and reached about 1.0 pound in 1971-74.

The smooth skin of the nectarine makes it vulnerable to insects, disease and cracking. In the eastern United States, they are not grown as successfully as peaches. Consequently, the entire U.S. commercial crop is grown in California. The production season begins in June, peaks in July and August, and ends in September. Nectarines are also grown successfully in the Southern Hemisphere, notably in Chile, Argentina and New Zealand. They are imported from these countries in January, February, and March, though mostly in February.

Efforts are being made in Canada to develop new varieties of nectarines that will resist insect, disease and climatic risks that persist outside California. These efforts have not yet been entirely successful, and Canadian production can still be considered experimental.

Only limited quantities of quinces are grown in Canada. The fruit is too astringent to be consumed fresh and it is not believed to be cooked or preserved in the home to any great extent. However, published data indicate quinces are acquired from domestic sources by processors and one is even said to maintain his own orchard. Actual figures are not published due to confidentiality and no information is available on imports, exports or prices.

#### PRODUCTION AND CONSUMPTION

Data on planted acreage, production and farm value of nectarines (and quinces) in Canada are not published. However, according to the information available to the Board, nectarine trees have been planted in Ontario and British Columbia during the past few years. Estimates are that in the Niagara Peninsula up to 200 acres have been planted, a high percentage of which is still in the non-fruit bearing stage. In British Columbia, 20 acres have been planted for roadside sales. Total estimated production in Canada in 1975 was about 1.0 million pounds. About 95 per cent of this was in Ontario and the rest in British Columbia. Commercial production prior to 1974-75 was non-existent.

Imports have been almost the sole source of supply of nectarines in Canada. As shown in Appendix Table 1, imports have steadily increased since 1966, rising from an annual average of 8.3 million pounds in 1966-70 to 20.8 million pounds in 1971-75, or by more than 2½ times. Consumption of nectarines on a per capita basis increased from 0.4 pound in 1966-70 to 1.0 pound in 1971-74, an increase of 150 per cent. In contrast consumption of peaches remained virtually the same between these periods at 5 pounds per capita.

The delightful taste, appearance, colour, firmness and general plumpness of nectarines have been given as reasons for the rapid increase in their consumption and popularity relative to peaches. Nectarines compete directly with peaches in the market place, especially at the time Canadian-grown peaches are being marketed. In 1966-70, nectarines constituted 18.5 per cent of total imports of nectarines and peaches and 7.5 per cent of the overall supply of imported nectarines and imported and domestically grown peaches; in 1971-74, these ratios increased to 38.5 per cent and 14.6 per cent, respectively. The more rapid growth in the importation and consumption of nectarines than peaches has occurred especially during the Canadian peach production season (see Table 1). During 1971-74, in August and September, the peak production months for Canadian peaches, the volume of nectarine imports was not much smaller than the volume of imported peaches. Furthermore, while the volume of imports of fresh peaches has declined, this has been more than offset by an increase in imports of nectarines.

Table 1: The Relationship of Nectarine Imports to Total  
Peach and Nectarine Imports and to the Total  
Peach and Nectarine Supply, by Months, 1966-1974

	Jan.- May	June	July	Aug.	Sept.	Oct.- Dec.	Total
- '000 lb. -							
<u>Average 1966-70</u>							
Fresh imports							
Nectarines	158	329	2,613	3,436	1,585	158	8,279
Peaches	232	5,617	13,808	11,589	4,587	592	36,426
Total	390	5,946	16,421	15,025	6,172	750	44,705
Domestic peaches (a)	-	-	652	37,673	25,875	978	65,178
Total Supply	390	5,946	17,073	52,698	32,047	1,728	109,883
<u>Nectarines as % of</u>							
Fresh imports	40.5	5.5	15.9	22.9	25.7	21.1	18.5
Total supply	40.5	5.5	15.3	6.5	4.9	9.1	7.5
<u>Average 1971-74</u>							
Fresh imports							
Nectarines	215	1,784	6,116	7,055	3,146	597	18,914
Peaches	441	4,715	11,828	8,533	4,000	735	30,252
Total	656	6,499	17,944	15,588	7,146	1,332	49,166
Domestic peaches (a)	-	-	1,502	48,170	30,664	402	80,737
Total Supply	656	6,499	19,446	63,758	37,810	1,734	129,903
<u>Nectarines as % of</u>							
Fresh imports	32.8	27.5	34.1	45.3	44.0	44.8	38.5
Total supply	32.8	27.5	31.5	11.1	8.3	34.4	14.6

(a) Domestic production for domestic fresh market sales.

Source: Derived from Statistics Canada and Agriculture Canada data.

#### IMPORTS

Like peaches, almost all imports of nectarines are from the United States; small amounts come from Chile and, on occasion, from New Zealand and other countries. The main source of imports from the United States is California, the only state producing nectarines in large commercial quantities. Imports have been increasing steadily both from the United States and Chile, though at a much faster rate from the former. The bulk of the imports arrives during July, August and September - the production period for Canadian peaches.

The central region accounted for 65.1 per cent of total nectarine imports in 1975, the western region for 34.1 per cent and the Atlantic Provinces for 0.8 per cent (see Appendix Table 2).

PRICES

Wholesale-to-retail selling prices shown in Table 2 are almost all for imported nectarines. Price quotations for the domestic product were available for a brief period on the Montreal market for Ontario grown nectarines, evidence that there is some commercial production of this fruit in Canada, but that it is still a relatively small factor in the overall supply. The wholesale-to-retail price of domestic nectarines was higher than the price of imports. In common with other seasonal fruits, prices of nectarines are lowest during the period when the production of nectarines and of peaches peaks.

Table 2: Average Wholesale-to-Retail Selling Prices for Domestic and Imported Nectarines in Halifax, Montreal, Toronto, Winnipeg, and Vancouver, 1974

	<u>Halifax</u>		<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>
- ¢ per lb. -										
Jan.	-	-	-	51.3	-	-	-	-	-	-
Feb.	-	-	-	52.8	-	52.5	-	-	-	-
Mar.	-	55.0	-	46.6	-	50.1	-	-	-	-
May	-	-	-	-	-	-	-	70.0	-	58.8
June	-	25.6	-	42.6	-	41.5	-	48.6	-	45.0
July	-	28.4	-	28.7	-	24.8	-	36.0	-	33.1
Aug.	-	30.0	29.1	25.6	-	24.5	-	34.4	-	31.6
Sept.	-	32.8	30.4	28.3	-	26.5	-	38.2	-	37.7
Oct.	-	32.8	-	25.5	-	29.0	-	37.3	-	-

Source: Appendix Table 4.

In 1974, wholesale-to-retail prices of imported nectarines tended to be lower in Montreal and Toronto than prices of domestically grown peaches (see Table 3). The c.i.f. cost and f.o.b. cost of nectarines were in that year, and also in 1975, lower than those for imported peaches. Prior to 1973 imported peaches were cheaper than nectarines. Increased imports and domestic consumption of nectarines would appear to be directly related to an improvement in the price of this product relative to peaches.

Table 3: Average Wholesale-to-Retail Selling Prices for Imported Nectarines and Domestic Peaches in Montreal, Toronto, Winnipeg, and Vancouver, 1974

	<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Nectar.</u>	<u>Peach</u>	<u>Nectar.</u>	<u>Peach</u>	<u>Nectar.</u>	<u>Peach</u>	<u>Nectar.</u>	<u>Peach</u>
- ¢ per lb. -								
July	28.7	32.4	24.8	37.0	-	-	-	-
Aug.	25.6	28.6	24.5	26.3	34.4	31.4	31.6	35.0
Sept.	28.3	26.4	26.5	22.8	38.2	31.3	37.7	34.2
Oct.	-	-	29.0	24.5	37.3	30.5	-	-
Average	27.5	29.1	26.2	27.7	36.6	31.1	34.7	34.6

Source: Appendix Table 4 and the report on peaches.



Table 4: The Average f.o.b. Value per Pound of Imported U.S. Nectarines and Peaches, for Selected Months, 1966-1975

	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Total</u>
	- ¢ per lb. -					
<u>Average 1966-70</u>						
Nectarines	17.4	13.9	12.9	13.2	15.0	13.6
Peaches	14.1	10.2	9.0	10.0	9.9	10.5
<u>1971</u>						
Nectarines	25.5	19.3	15.1	12.3	13.1	15.9
Peaches	21.9	14.1	10.5	7.8	8.9	12.3
<u>1972</u>						
Nectarines	20.5	16.4	17.6	20.4	21.3	18.0
Peaches	21.6	14.4	15.6	16.2	16.8	16.3
<u>1973</u>						
Nectarines	26.9	19.3	18.1	16.8	19.8	19.3
Peaches	24.1	19.4	15.6	18.2	17.7	19.2
<u>1974</u>						
Nectarines	27.6	19.4	17.5	19.6	18.4	19.6
Peaches	25.9	20.7	18.3	17.3	13.9	20.7
<u>1975</u>						
Nectarines	31.0	26.2	18.8	20.8	19.2	22.5
Peaches	28.5	25.2	20.0	19.2	20.2	24.3
<u>Average 1971-75</u>						
Nectarines	26.5	20.7	17.7	18.3	17.8	19.7
Peaches	24.9	18.8	15.3	14.1	14.6	18.3

Source: Statistics Canada.

#### CANADA-UNITED STATES COMPARISONS

U.S. production of nectarines has been steadily increasing; it amounted to an annual average of 177.7 million pounds in 1971-74, an increase of 40 per cent compared with 127.6 million pounds in 1966-70. In contrast, production of peaches declined 20 per cent, from 3.2 billion pounds in 1966-70 to 2.6 billion pounds in 1971-74. U.S. production of nectarines is concentrated in California (see Appendix Table 6).

It is evident that Canadian production of nectarines, estimated at about 1 million pounds, is very small compared to U.S. output of that fruit. Combining nectarines and peaches, the Canadian industry compares more favourably, but even then domestic output, 106 million pounds, is equivalent to less than 4 per cent of U.S. production. The Canadian market for nectarines is quite important to U.S. growers; on average during 1971-74 they exported about 11 per cent of their crop to Canada.

### TARIFF CONSIDERATIONS

Fresh nectarines and quinces entering Canada for fresh market consumption or for processing are dutiable under tariff item 9209-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Quinces and nectarines .....	Free	Free	20 p.c.

This item is bound under GATT and has existed in its present form since 1968. The reduction since 1930 in the rates of duties on nectarines (and quinces) under the Most-Favoured-Nation and General Tariff is shown in Table 5. In the table, the rates shown are per cent ad valorem.

Table 5: Quinces and Nectarines: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free (b)	15 p.c.	20 p.c. (c)
1939, Jan. 1 United States Trade Agreement		10 p.c. (d)	
1948, Jan. 1 GATT		10 p.c.	
1950, Jan. 1 Statutory Change	Free (e)	10 p.c.	20 p.c.
1968, Jan. 1 (f) Statutory Change	Free	Free	20 p.c.

(a) Applicable to imports from the United States until Dec. 31, 1935, from Chile until Oct. 15, 1941.

(b) Until Aug. 2, 1931, quinces and nectarines from Australia were dutiable at a rate of 25 cts. per 100 lb. - Australian Trade Agreement Act, 1925. Under the new Australian Trade Agreement (effective Aug. 3, 1931) and the South African Trade Agreement (effective June 30, 1933), free entry was bound for quinces and nectarines from these countries during March, April and May, together with the maintenance of the margins of preference during that period. B.P. treatment was to apply for the balance of the year.

(c) Not less than 1 cent per pound.

(d) From June to February; other months remained at 15 p.c. - see footnote (b).

(e) The 1931 Australian Trade Agreement was replaced, effective June 30, 1960. Under the new agreement, free entry for quinces and nectarines was bound for the entire year, with a margin of preference of 10 p.c.

(f) As a result of the Kennedy Round (GATT), the margin of preference disappeared.

Source: Canadian Customs Tariff.

Nectarines and quinces are not specifically named in the section of the Tariff Schedules of the United States providing for fresh fruits. They would presumably be classified - unless nectarines are held to be peaches - under item 149.50 as "other fruits, fresh," with a rate of duty of 8.5 per cent, the same as the 1974 ad valorem equivalent of the Canadian specific duty on peaches.

The Canadian Horticultural Council proposed that a new tariff item be created for nectarines with seasonal rates of 20 p.c. M.F.N. and 20 p.c. Gen., applicable for a maximum period of 16 weeks in any given year, and free entry otherwise. Consequently, the Council recommended that existing tariff item 9209-1, with the existing rates of duty should apply only to quinces. New tariff items as recommended by the Council are as follows:

		<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
9209-1	Quinces .....	Free	Free	20 p.c.
New Item	Nectarines .....	Free	20 p.c. or Free	20 p.c. or Free

In any 12 month period ending 31st March, the seasonal duty shall not be maintained in force in excess of 16 weeks, and the Free rate shall apply whenever the seasonal duty is not in effect.

The Canadian Fruit Wholesalers' Association opposed the introduction of a duty on nectarines until there is significant commercial production in Canada. The California Grape & Tree Fruit League included nectarines among the crops for which it urged no increase in duties. The more general representations of the Canadian Importers Association Inc., the National Farmers Union and the Consumers' Association of Canada also apply to quinces and nectarines.

In proposing the above tariff item, the Council stated that nectarines are being grown in Canada in increasing quantities, and that new varieties suited to Canadian growing conditions have been and are being developed at Canadian research stations. Moreover, and perhaps more important than the current and potential volume of nectarine production in Canada, it was believed that the increasing imports of this fruit posed a direct threat to Canadian peach growers.

Based on the average value per pound of imports in 1974, the specific duty equivalent of the 20 p.c. M.F.N. seasonal duty proposed by the Council would be nearly 4 cents per pound. This would be higher than the specific duty of 3 cents proposed by the Council for fresh peaches. A seasonal specific duty of 3 cents for nectarines would have an ad valorem equivalent of 15 per cent. It can be argued from the viewpoint of similarity in the value for duty of nectarines and peaches in recent years, that their tariff treatment should be the same as well.

Implementation of the Council's tariff request with respect to nectarines would increase the cost of this fruit to the Canadian consumer, an increase in cost which, in the presence of only a small volume of domestic production, would not be accompanied by significant grower benefits, but primarily additional duty revenues. If, however, the argument is valid that nectarines are a substitute for peaches then the consumer cost of a seasonal duty on this fruit must be considered relative to benefits for domestic growers of peaches.<sup>(1)</sup>

The Council's proposal, of a maximum period for the application of the seasonal duty of 16 weeks, is the same as its proposal with respect to peaches. The underlying reasoning is that the primary objective of duty on nectarines is the protection of the domestic peach industry, and not the encouragement of domestic nectarine production. As indicated in the report on peaches, it would seem from available evidence that a 16-week period, regionally administered, would be somewhat excessive.

One method of affording protection to Canadian peach producers against imports of nectarines would be to combine the tariff provisions for peaches and nectarines and delete the latter from the existing item, leaving it to cover only quinces. In so far as the latter is concerned, the Board received no request for any duty. The Board has no information concerning commercial production in Canada of quinces, a commodity not specifically included in the Reference. Free entry, under the British Preferential and Most-Favoured-Nation Tariff could be maintained by retaining the existing item and rates for, specifically, quinces. Alternatively, the current item could be deleted and quinces allowed to fall under the item for fresh fruits, n.o.p., for which the Board is recommending rates the same as the existing rates on quinces. Inclusion in the n.o.p. item, which at present appears to include only fruits of a kind not grown in Canada, might raise the question as to whether quinces could meet this criterion.

### CONCLUSIONS

The nectarine is a peach-like fruit which is grown almost exclusively in California. Successful commercial production of this fruit elsewhere on the North American continent will depend on the development of varieties suitable for regional growing conditions. Canada at present produces only a small volume of nectarines, and imports, therefore, supply the bulk of the Canadian market for this fruit. The nectarine competes with the peach in appearance, flavour, and now, also, in price. Thus, while the domestic market for fresh peaches, which are currently dutiable in-season, has increased moderately during the period under review, the volume of imports and domestic consumption of nectarines, which enter duty-free, have risen very rapidly. The Board concludes that the fresh market position of Canadian peach growers has been adversely affected, and that protection be provided against these imports.

---

(1) See the report on "Peaches," p. 246, for an estimate of these benefits.

Therefore, the Board recommends that nectarines be dutiable at the same rates and under the same tariff items as peaches,<sup>(1)</sup> with a rate of 3 cents per pound but not less than 12½ p.c. for fresh market produce, to apply for a seasonal period not to exceed 14 weeks and a rate of 2 cents per pound but not less than 12½ p.c. for nectarines for processing, applicable year round. Further, the Board recommends that quinces, currently entering with nectarines under tariff item 9209-1, be included for tariff purposes under the tariff provisions for fresh fruits, n.o.p.

#### RECOMMENDATIONS

The Board recommends that Schedule "A" of the Customs Tariff be amended by deleting tariff item 9209-1 and that nectarines be included with peaches, at the rates recommended for that fruit, and that quinces be included under the tariff provision recommended for fresh fruits, n.o.p.

---

(1) For the description of the new tariff items for peaches, see the recommended schedule in the Tariff Board Report on Reference No. 152 - Fresh and Processed Fruits and Vegetables, Volume 1, Part I, DSS, Ottawa, 1977, p. 180.



Appendix Table 1

Nectarines: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Chile</u>	<u>New Zealand</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -				
1966	6,848	47	-	-	6,895
1967	5,711	84	-	-	5,795
1968	7,899	109	-	-	8,008
1969	9,557	158	-	5	9,719
1970	10,826	153	-	-	10,979
Average 1966-70	8,168	110	-	1	8,279
1971	11,533	220	*	-	11,753
1972	15,968	94	-	-	16,062
1973	19,355	113	5	-	19,473
1974	28,171	192	3	1	28,366
1975	28,045	337	-	-	28,383
Average 1971-75	20,614	191	2	*	20,807

Source: Statistics Canada.

Appendix Table 2

Nectarines: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	41	80	142	161	237	221
Nfld.	4	11	2	7	5	4
P.E.I.	-	*	18	18	22	20
N.S.	27	29	72	51	82	89
N.B.	10	40	51	85	129	108
Central Region	5,114	6,861	10,415	12,503	18,608	18,495
Que.	2,270	3,239	4,805	5,229	7,388	8,031
Ont.	2,843	3,622	5,611	7,274	11,220	10,464
Western Region	3,125	4,812	5,504	6,808	9,521	9,667
Man.	531	981	1,156	1,467	2,013	2,179
Sask.	288	507	600	779	1,162	1,214
Alta.	984	1,535	1,585	2,140	3,038	2,944
B.C.	1,322	1,789	2,164	2,423	3,307	3,330
Canada	8,279	11,753	16,062	19,473	28,366	28,383

Source: Statistics Canada.



Nectarines: Imports by Month, 1966-1975

<u>Month</u>	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	25	0.3	25	0.1	5	1	12	80
Feb.	78	0.9	101	0.5	90	30	82	191
Mar.	34	0.4	102	0.5	20	89	102	206
Apr.	5	0.1	19	0.1	29	4	19	19
May	16	0.2	25	0.1	57	9	31	6
June	329	4.0	1,815	8.7	2,071	2,075	2,721	1,938
July	2,613	31.6	6,679	32.1	5,505	6,489	9,367	8,931
Aug.	3,436	41.5	7,754	37.3	6,192	6,831	10,612	10,551
Sept.	1,585	19.1	3,533	17.0	2,020	3,578	4,232	5,082
Oct.	151	1.8	712	3.4	32	367	1,139	1,333
Nov.	7	0.1	39	0.2	40	-	48	39
Dec.	-	-	2	*	-	-	-	8
Total	8,279	100.0	20,807	100.0	16,062	19,473	28,366	28,383

Source: Statistics Canada.





Appendix Table 5

Nectarines: Dutiable and Non-Dutiable Imports, 1966-1975

	<u>Total</u>	<u>Non-</u>		<u>Dutiable</u>		<u>Price f.o.b.</u>
	<u>'000 lb.</u>	<u>Dutiable</u>	<u>%</u>	<u>'000 lb.</u>	<u>%</u>	<u>Dutiable</u>
		<u>'000 lb.</u>				<u>¢/lb.</u>
1966	6,895	-	-	6,895	100.0	12.8
1967	5,795	-	-	5,795	100.0	14.5
1968	8,008	8,008	100.0	-	-	-
1969	9,719	9,719	100.0	-	-	-
1970	10,979	10,979	100.0	-	-	-
Average						
1966-70	8,279	5,741	69.3	2,538	30.7	13.6
1971	11,753	11,753	100.0	-	-	-
1972	16,062	16,062	100.0	-	-	-
1973	19,473	19,473	100.0	-	-	-
1974	28,366	28,366	100.0	-	-	-
1975	28,383	28,383	100.0	-	-	-
Average						
1971-75	20,807	20,807	100.0	-	-	-

Source: Statistics Canada.

Appendix Table 6

Nectarines: Production, Total Farm Value and Farm Value per Pound, United States<sup>(a)</sup>, 1966-1974

	<u>Production</u>	<u>Total Farm Value</u>	<u>Value per Pound</u>
	<u>'000 lb.</u>	<u>\$ '000</u>	<u>¢/lb.</u>
Average			
1966-70	127,600	9,394	7.4
1971	138,000	10,695	7.8
1972	172,000	15,222	8.9
1973	171,000	21,803	12.8
1974	229,900	26,094	11.4
Average			
1971-74	177,725	18,454	10.4
% Change 1966-70			
to 1971-74	+39.3	+96.4	+40.5

(a) Total U.S. commercial production is from California.

Source: U.S. Department of Agriculture.

Nectarines: Utilization of Production, United States, 1966-1974

	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
	- per cent -					
Fresh	98.6	98.7	99.3	98.9	98.8	98.9
Processed	<u>1.4</u>	<u>1.3</u>	<u>0.7</u>	<u>1.1</u>	<u>1.2</u>	<u>1.1</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Agriculture.

PEACHESTable of Contents

	<u>Page</u>
Growing and Harvesting .....	229
Acreage, Production and Farm Value .....	230
Supply and Disposition .....	233
Imports .....	237
Exports .....	237
Prices .....	237
Canada-United States Comparisons .....	239
Tariff Considerations .....	243
Conclusions .....	247
Recommendations .....	248
Appendix Tables .....	251





## PEACHES

The peach (Prunus persica) is one of the oldest known and most versatile fruits. The generic name, Prunus, is the ancient Latin name for the plum, and the specific name, persica, supports the old belief that the peach came from Persia. The common name, peach, is a derivative from persica.

It is generally agreed that the peach originated in China. From there it was introduced to Persia and then to Europe. Spaniards are believed to have brought peach seeds and trees to America. The French in Louisiana, the English at Jamestown and in Massachusetts, and others planted peaches soon after settlement in the mid 18th century. Commercial production in North America began early in the 19th century.

Peaches can be divided into two categories: "freestone" and "clingstone." Those grown in Canada are almost exclusively "freestone" peaches. The flesh of the freestone peach is easily separated from the stone, while that of the clingstone is firmly attached. Because of that characteristic, freestone peaches are particularly well adapted to fresh consumption though they may also be used for processing. Clingstone peaches are used primarily for processing. When canned, they have a clear, shiny clean-cut appearance. Peaches are canned in great quantities and are also used in appetizers, garnishes, salads, desserts and baked goods, jellies, preserves, nectar, pickles and baby foods. They are also preserved and used in dried form, in making cordials and brandies, and, in recent years, in frozen form.

In 1971-74, about 77 per cent of all the peaches produced in Canada were sold on the fresh market and 23 per cent for processing. The farm value of Canadian peaches in 1971-74 was about \$12 million. Annual per capita consumption during this period was 9.1 pounds.

## GROWING AND HARVESTING

The peach tree is a small to medium size deciduous tree that attains a height of up to 30 feet. It requires a dormant winter period for proper development and fruit production, and under excellent cultural conditions, as in California, may live to 30 or 40 years. However, commercial usefulness declines after 20 years. The productive life of a peach tree in more northern climates is only about 12 years.

There are numerous freestone varieties. Some are harvested as early as late July and others as late as early September. Before 1960, late varieties accounted for almost the total commercial production of which about half went to the fresh market and half for processing. By 1973-74, roughly 75 per cent of these late varieties had been replaced by early varieties marketed largely on the fresh market. Consequently, processors experienced increasing shortages of domestic peaches. This switch in varieties also resulted in the compressing of fresh market production into a shorter period, from about July 25 to August 31, which tended to cause some problems in marketing. Being perishable, the crop can only be stored for a few days and peak production occurs when competition from the main U.S. crop is severe.

Clingstone are grown particularly successfully in California with high yields of as much as 15 to 18 tons per acre. They can be harvested by machine and thus cost less to grow. They also permit mechanical and automatic handling in the processing plant. The freestone peach, with a softer, more easily bruised flesh, is more difficult to handle, and thus more costly to process. To meet processor demand, Ontario growers are, at present, producing a substantial volume of clingstone peaches. In British Columbia, this change-over has not proceeded nearly so far.

Harvesting peaches has traditionally been labour-intensive. Picking, grading and packaging of fresh market peaches is mainly done by hand and this operation is time-consuming and costly. Moreover, the orchard is "picked over" many times. In contrast, processing peaches are harvested in one pass through the orchard. Some growers now use equipment such as hydraulic pruning and picking aids, and forklift tractors for moving baskets and containers to and from the orchard. All this new machinery, while reducing some labour requirements, has added to the grower's capital costs.

#### ACREAGE, PRODUCTION AND FARM VALUE

According to Census Canada there were 15,538 acres of peaches in Canada in 1971 with a total of 1.7 million trees. On the basis of acreage and trees it is evident that the industry is largely located in Ontario; this province accounted for 84 per cent of the Canadian acreage and a similar proportion of all peach trees. The balance,<sup>(1)</sup> for commercial purposes, is in British Columbia, primarily the Okanagan Valley.

During the intercensal period 1961-71, the number of peach trees has declined from 1.9 million to 1.7 million or by somewhat more than 10 per cent. Furthermore, though there is no data, either on acreage or number of trees, available for subsequent years, evidence before the Board suggests that further reductions have taken place after 1971. It would appear, therefore, that this industry has undergone a period of contraction. The decline has, however, occurred entirely in the number of trees five years old and over. The number of young trees, those under five years old, actually increased between 1961 and 1971. Thus, the average peach orchard in Canada was younger in 1971 than a decade earlier, Appendix Table 1.

The number of trees declined in both Ontario and British Columbia. The contraction in Ontario occurred mainly in the Niagara region, which in 1971 contained 70 per cent of Ontario's peach orchards, and was in part the result of urbanization. Old orchards, presumably with mostly mature trees, thus disappeared, to be replaced, to some extent, with new orchards elsewhere, mostly in the extreme south-western part of the province. Many growers have replaced old trees with more desirable varieties, such as cling peaches. On the whole, therefore, while the number of mature trees in Ontario dropped by over 200 thousand between 1961 and 1971, the number of young trees increased by nearly 70 thousand.

(1) Some peaches are grown in the Annapolis Valley in Nova Scotia but these meet local demand only. Nova Scotia production figures do not enter national statistics.

The decline in the total number of peach trees during the intercensal period was relatively greater in British Columbia than in Ontario. In that province the number of trees five years old and over also declined; and although the number of younger trees did not increase, the proportion of these younger trees did rise. The reduction took place mainly in the Okanagan Valley, due to severe winterkill in 1965 and 1969. Commercial peach production is now concentrated in the southern end of the valley. In British Columbia, there is little opportunity for expansion of this fruit except at the expense of other tree fruits. In Ontario, further expansion west of the Niagara district is possible, though in areas previously considered marginal for peaches.

In 1971 there were 3,799 growers who reported having peach trees. Compared to the 6,032 that reported in 1961, it is readily apparent that there has been a sharp reduction in the number of growers during the period under review, Appendix Table 1. This process of consolidation and enlargement meant that the average grower had more peach trees in 1971 than in 1961, 440 as against 314. The average peach grower in 1971 had not only a younger, and potentially more productive, but also a larger orchard. The average number of peach trees per grower was much greater in Ontario, 717, than in British Columbia, 157. In this connection, it should be noted that a grower, more often than not, grows more than one fruit, and that peaches for the average grower in British Columbia are not his main product.

Production of peaches in Canada (see Table 1) declined from an average of 121.7 million pounds in 1961-65 to 95.0 million pounds in 1966-70, and then increased to 105.3 million pounds in 1971-74. Changes from year to year were, of course, much more marked. Between 1961-65 and 1971-74, average peach production decreased by 13.5 per cent. Average production in Ontario declined by 19.1 per cent from 1961-65 to 1971-74 while in British Columbia it increased by 10.5 per cent. As a result, Ontario's share of total production fell to 75.8 per cent in 1971-74 from 81.1 per cent in 1961-65 and British Columbia's increased to 24.2 per cent from 18.9 per cent.

The increase in output in British Columbia, coupled with the decline in the number of trees five years old and over, was the result of a sharp improvement in the average yield per tree<sup>(1)</sup> from 96.5 pounds during 1961-65 to 153.4 pounds during 1971-74. Thus calculated, yields in Ontario did not improve and were during the latter period, at 93.5 pounds, well below B.C. yields, whereas during 1961-65 they had been practically the same. Per acre, an average yield of 10,924 pounds in British Columbia, during 1971-74, compared with 6,087 pounds in Ontario.

---

(1) Calculated by dividing average annual production during the periods 1961-65 and 1971-74 by the number of trees five years and over in 1961 and 1971.

There was a steady increase in production of fresh market peaches from 1962 to 1974 and a sharp decline in processing peaches. Average annual production of fruit for the fresh market rose 29.0 per cent from 62.0 million pounds in 1962-65 to 80.0 million pounds in 1971-74. In contrast, production of processing peaches dropped 50.9 per cent from 51.8 million pounds to 25.4 million pounds. Of the peaches processed in Canada, the bulk, 22.2 million pounds in 1971-74, was grown and processed in Ontario, the remainder in British Columbia. In 1962-65, 54.5 per cent of total production was used for the fresh market; in 1971-74, 75.9 per cent (see Appendix Tables 2 and 3). Between 1962-65 and 1971-74, sales to the fresh market increased much faster in British Columbia than in Ontario - 71.2 per cent against 17.8 per cent, and, the drop in sales to processors was more marked in British Columbia than in Ontario - 64.5 per cent compared with 48.0 per cent. This switch is primarily a result of the prices that could be obtained in the two markets. Canadian growers produce mostly freestone multipurpose varieties, and their marketing organizations have sold increasingly more of total production on the fresh market where prices have consistently exceeded prices paid by processors. Prices of peaches for processing in Canada have relatively been depressed by the increasing production of lower cost cling peaches in California.

The total farm value of the peach crop increased 78.7 per cent from an annual average of \$6.6 million in 1961-65 to \$11.8 million in 1971-74. Farm returns per pound for all peaches increased steadily from an average of 5.4 cents in 1961-65 to 11.2 cents in 1971-74. The increase in farm value per pound for Canada between 1961-65 and 1971-74 was 107.4 per cent, in Ontario 94.7 per cent and in British Columbia, 173.8 per cent.

The higher per pound farm value reflects not only the increase in returns to growers for both processing and fresh market peaches, but also the shift in marketings to the higher price fresh market. In 1971-74 per pound farm values for fresh market peaches were 45.8 per cent higher than for processing peaches. The values for fresh market fruit also increased at a faster rate than that for processing peaches. They almost doubled between 1962-65 and 1971-74 compared with an increase of a little more than one-half for processing peaches. The value of the crop sold on the fresh market increased, both nationally and regionally, while that for peaches sold to processors declined.

Table 1: Peaches: Production, Farm Value and Farm Value  
per Pound, by Province, 1961-1974

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>	<u>% Change 1961-65 1971-74</u>
- Production, '000 lb. -								
Ontario	98,690	79,394	101,294	63,168	70,906	84,100	79,867	- 19.1
B.C.	23,030	15,633	24,560	21,476	27,272	28,510	25,454	+ 10.5
Canada	121,720	95,027	125,854	84,644	98,178	112,610	105,322	- 13.5
- Farm Value, \$'000 -								
Ontario	5,651	7,225	8,940	7,593	8,198	10,820	8,888	+ 57.3
B.C.	959	1,256	2,226	2,250	3,501	3,733	2,928	+205.3
Canada	6,610	8,480	11,166	9,843	11,699	14,553	11,815	+ 78.7
- Farm Value, ¢ per lb. -								
Ontario	5.7	9.1	8.8	12.0	11.6	12.9	11.1	+ 94.7
B.C.	4.2	8.0	9.1	10.5	12.8	13.1	11.5	+173.8
Canada	5.4	8.9	8.9	11.6	11.9	12.9	11.2	+107.4

Source: Statistics Canada.

#### SUPPLY AND DISPOSITION

Data on total supply of peaches from domestic production and imports and their consumption in fresh and processed form are presented in Table 2. Certain supply and disposition ratios are given in Appendix Table 4. Exports and re-exports of peaches from Canada, in fresh or processed form, are negligible; less than 0.1 per cent of total supply in 1971-74. The analysis below concentrates on domestic consumption as this is virtually identical with total supply.

Total consumption of peaches in fresh and processed form rose 7.2 per cent from 187.5 million pounds in 1961-65 to 201.0 million pounds in 1971-74. Consumption of peaches in fresh form rose 12.7 per cent to 109.2 million pounds in 1971-74 from 96.9 million pounds in 1961-65; in processed form it rose 1.5 per cent from 90.5 million pounds to 91.8 million pounds. Consequently, the fresh form share of total consumption rose to 54.3 per cent in 1971-74 from 51.7 per cent in 1961-65.

On a per capita basis, consumption of both fresh and processed peaches declined to 9.1 pounds from 9.9 pounds during the review period. However, contrary to the shift in demand seen in other fruits, per capita consumption in the processed form declined more rapidly than in the fresh market form. Fresh peach consumption declined from an annual average of 5.1 pounds in 1961-65 to 5.0 pounds in 1971-74 while the decline in processed form was from 4.8 pounds to 4.2 pounds.



Table 2: Peaches: Supply and Disposition, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Production	121,720	95,027	125,854	84,644	93,178	112,610	105,322	- 13.5
Total Imports	66,639	92,495	102,604	86,286	99,374	95,157	95,856	+ 43.8
Fresh	33,836	36,426	34,760	26,378	30,357	29,512	30,252	- 10.6
Processed (canned) (a)	32,286	54,371	61,177	58,051	67,984	63,904	62,779	+ 94.4
Processed (frozen) (b)	..	647	781	1,593	640	633	912	..
Processed (dried) (c)	517	1,051	5,886	264	393	1,108	1,913	+270.0
Total Supply Available	188,359	187,522	228,458	170,930	197,552	207,767	201,178	+ 6.8
Available for processing or imported processed	91,088	37,833	100,971	80,469	94,323	91,631	91,849	+ 0.8
From domestic production	56,409	29,681	31,627	19,161	23,106	23,886	24,445	- 56.7
Imported processed	32,803	56,069	67,844 (f)	59,908 (f)	69,017 (f)	65,645 (f)	65,604 (f)	+100.0
Imported fresh	1,876	2,083	1,500	1,400	2,200	2,100	1,800	- 4.1
Available for fresh market	97,271	99,689	127,487	90,461	103,229	116,136	109,329	+ 12.4
From domestic production	65,311	65,346	94,227	65,483	75,072	88,724	80,877	+ 23.8
Imported	31,960	34,343	33,260	24,978	28,157	27,412	28,452	- 11.0

Table 2: Peaches: Supply and Disposition, Canada, 1961-1974 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- '000 lb. -								
<u>Total Exports</u>	909	250	128	117	186	129	140	- 86.0
<u>Fresh</u>	351	168	128	117	186	129	140	- 60.1
<u>Processed (canned) (a)</u>	558	82 (g)	..	..	..	..	..	..
<u>Total Domestic Disappearance</u>	187,450	187,272	228,330	170,813	197,366	207,638	201,038	+ 7.2
<u>Consumed in processed form</u>	90,530	87,751	100,971	80,469	94,323	91,631	91,849	+ 1.5
From domestic production	55,851	29,599	31,627	19,161	23,106	23,886	24,445	- 56.2
Imported	34,679	58,152	69,344	61,308	71,217	67,745	67,404	+ 94.4
<u>Fresh market consumption</u>	96,920	99,521	127,359	90,344	103,043	116,007	109,189	+ 12.7
From domestic production	64,960	65,178	94,099	65,366	74,886	88,595	80,737	+ 24.3
Imported	31,960	34,343	33,260	24,978	28,157	27,412	28,452	- 11.0

(a) Converted to fresh equivalent on the basis of 1.02 lb. fresh per 1 lb. canned product.

(b) Converted to fresh equivalent on the basis of 1.12 lb. fresh per 1 lb. frozen product.

(c) Converted to fresh equivalent on the basis of 3.59 lb. fresh per 1 lb. dried product.

(d) Four-year average omitting 1964.

(e) Four-year average omitting 1967.

(f) Tariff Board estimate.

(g) Three-year average omitting 1969 and 1970.

Source: Derived from Agriculture Canada, Statistics Canada and the U.S. Department of Commerce data.



As a result of the decline in domestic production, the proportion of total consumption satisfied by domestic output dropped from 64.5 per cent in 1961-65 to 52.3 per cent in 1971-74. The proportion met by imports increased correspondingly. However, for fresh market consumption - which comprises more than half the total consumption and is steadily increasing - the market share met by domestic production increased from 67.0 per cent (65.0 million pounds) in 1961-65 to 73.9 per cent (80.7 million pounds) in 1971-74. Fresh market imports during the same period declined by 3½ million pounds to 28.5 million pounds. Conversely, imports of processed peaches increased their share of total processed consumption, in fresh equivalent weight, from 38.3 per cent (34.7 million pounds) in 1961-65 to 73.4 per cent (67.4 million pounds) in 1971-74. Processed imports increased 94.4 per cent while imports of peaches for fresh consumption went down 11.0 per cent.

Confidential data available to the Board revealed that small quantities of fresh peaches have been imported for processing in Canada, but their volume in recent years has been quite insignificant.

As shown in Table 3, not only has the bulk of the consumption of fresh peaches occurred in August and September, the main production months, but the demand at that time has risen faster than in the off-season. Average on-season consumption in 1971-74 constituted 82.0 per cent of the total annual consumption, up from 74.5 per cent in 1961-65. More than 88 per cent of domestic fresh market requirements during the 1971-74 production seasons was met by Canadian output. Conversely, a major portion of the demand (more than 95 per cent) for fresh peaches in the off-season was met by imports. As the proportion of fresh market consumption met by imports is declining during the production season, competition from imports is minimal - except in late July when domestic produce starts appearing on the market and imports are usually at their peak.

Table 3: Peaches: Production, Fresh Imports and Fresh Consumption, Selected Averages, 1961-1974

	<u>1961-65</u>	<u>1966-70</u>	<u>1971-74</u>
- '000 lb. -			
<u>Production</u> (a)			
On-season (b)	63,888	63,509	78,834
Off-season	<u>1,072</u>	<u>1,669</u>	<u>1,903</u>
Total	64,960	65,178	80,737
<u>Imports</u>			
On-season (a)	8,351	12,253	10,691
Off-season (b)	<u>23,609</u>	<u>22,090</u>	<u>17,769</u>
Total	31,960	34,343	28,452
<u>Consumption</u> (a)			
On-season (b)	72,239	75,762	89,525
Off-season	<u>24,681</u>	<u>23,759</u>	<u>19,664</u>
Total	96,920	99,521	109,189
<u>Imports as % of Consumption</u>			
On-season (a)	11.6	16.2	11.9
Off-season (b)	95.7	93.0	90.4
Total	33.0	34.5	26.1

(a) August-September domestic marketing season.

(b) January-July, October-December.

Source: Derived from Statistics Canada data.

### IMPORTS

Imports of fresh peaches have come mainly from the United States; some small shipments entered as well from Chile and other countries (see Appendix Table 7). California has been the main U.S. source of imports and, in 1974, it accounted for 76.5 per cent of the total imports. Small quantities were also imported from New Jersey, South Carolina, and Georgia (see Appendix Table 10). The volume of imports varies from year to year. It averaged 29.9 million pounds during 1971-75 and was exceptionally high in 1969 when British Columbia's crop failed due to a severe loss of trees by freezing.

Of the total fresh peach imports in 1974, Ontario and Quebec accounted for 67.1 per cent, the western region, 31.6 per cent and the Atlantic region, 1.3 per cent (see Appendix Table 8). The western region imported almost its entire requirements from California, and, although the central and Atlantic regions imported from New Jersey, South Carolina and Georgia, the bulk of their imports also comes from California. In all regions, about 96 per cent of fresh imports occurred during the months June to September inclusive, with about 40 per cent entering during August and September, the main domestic marketing period.

### EXPORTS

Exports of fresh peaches have been small and declining and have all gone to the United States (see Appendix Table 11).

### PRICES

Estimated farm prices for domestic peaches sold for processing and on the fresh market (see Table 4) show that those for processing fruit have been constantly lower than those for fresh market peaches. In 1961-65, the average price per pound for peaches sold for processing was 5.2 cents and for the fresh market, 6.3 cents. By 1971-74, the average farm value for processing peaches increased by 60 per cent to 8.3 cents and fresh market fruit by 92 per cent to 12.1 cents. Average returns to growers for processing peaches in British Columbia have, with the exception of the late sixties, been considerably lower than in Ontario. Until recently, the same was true for fresh market peaches (see Appendix Table 2 and 3).

Wholesale-to-retail selling prices of fresh market peaches in 1974 showed considerable differences when compared on a regional or seasonal basis (see Table 5). In 1974, the average wholesale price in Toronto for the July to October production period was 27.7 cents per pound for domestic peaches compared with 29.6 cents per pound for imports. During May and June, prior to the production season, import prices were much higher averaging 48.3 cents per pound. Import prices tended to fall sharply as Canadian production appeared on the market. For Vancouver, the average price for domestic peaches in August and September (the only months sampled) was 34.6 cents per pound compared with 35.7 cents per pound for imports in August. (The average price of imports from May-August was 47 cents per pound). The prices of imports in non-producing areas, such as Winnipeg and Montreal, which

obtain supplies from British Columbia, Ontario and the United States, tended to be lower than those of the domestic product during the production season. In Winnipeg, the average price per pound for August-October was 28.3 cents for imports and 32.2 cents for domestic fruit. In Montreal, the average price per pound for July-September was 28.1 cents for imports and 29.1 cents for Canadian peaches. It appears, on the basis of price, that imports competed with domestic peaches in non-producing marketing centres, but were not a threat in producing areas. Canadian marketings begin in small volumes in mid July and at about the same time, the volume and price of imported peaches begin to decrease.

Table 4: Domestic Peaches: Estimated Prices, Sold for Processing and on the Fresh Market, 1961-1974

	<u>Total</u>	<u>Processed</u>	<u>Fresh</u>
	- ¢ per lb. -		
Average 1961-65	5.4	5.2	6.3
Average 1966-70	8.9	6.8	9.9
1971	8.9	7.1	9.5
1972	11.6	7.8	12.8
1973	11.9	8.4	13.0
1974	12.9	10.0	13.8
Average 1971-74	11.2	8.3	12.1

Source: Table 1, Appendix Tables 2 and 3.

Table 5: Wholesale-to-Retail Selling Price for Domestic and Imported Peaches in Montreal, Toronto, Winnipeg and Vancouver, 1974<sup>(a)</sup>

	<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>
	- ¢ per lb. -							
Jan.-Apr.	-	-	-	-	-	-	-	-
May	45.7	-	55.4	-	51.6	-	61.0	-
June	40.9	-	41.2	-	41.0	-	51.3	-
July	30.4	32.4	31.5	37.0	33.2	-	39.8	-
Aug.	27.5	28.6	28.8	26.3	27.5	32.6	35.7	35.0
Sept.	26.5	26.4	28.5	22.8	27.3	33.5	-	34.2
Oct.	-	-	29.6	24.5	30.0	30.5	-	-
Nov.-Dec.	-	-	-	-	-	-	-	-

(a) Based on a price per pound comparison of 17- to 38-pound baskets.

Source: Appendix Tables 12a and 12b.

The information collected by the Board on the landed cost of imported peaches is summarized in Table 6. As can be seen the landed cost varies greatly during the course of the year. Those variations were, evidently, caused largely by changes in the f.o.b. cost of peaches, reflecting seasonal fluctuations. Freight, brokerage and other transportations costs also vary considerably. The cost of the duty varies very little; if entry is not free it ranges from 1.1 cents per pound to 10 p.c. It is apparent from Table 6 that freight costs for most shipments exceed the cost of the duty, and quite often by a substantial margin. Thus transportation costs appear to provide, on average, more protection than the tariff. In 1974, when the specific duty was not in effect, the duty was 10 p.c., while normal transportation costs into Toronto were from 5 to 33 p.c. of the f.o.b. costs, see Appendix Table 13a. In Vancouver, (Appendix Table 13b), such costs comprised about 6 to 23 p.c. on shipments from California, and around 15 p.c. in Montreal on shipments from South Carolina and New Jersey. Transportation costs are relatively highest into the Winnipeg market where they amounted to 15 to 40 per cent of the f.o.b. cost of imported peaches. The protection provided by transportation costs is considerably less than that noted above where interprovincial shipments from Ontario and British Columbia, are concerned, since considerable freight costs are incurred on such shipments.

Table 6: Landed Cost of Imported Peaches in Toronto,  
Montreal, Winnipeg, and Vancouver, 1972-1974

		<u>Cost</u> <u>f.o.b.</u>	<u>Freight,</u> <u>Brokerage,</u> <u>etc.</u>	<u>Duty</u>	<u>Total</u> <u>Landed Cost</u>
- range in ¢ per lb. -					
Toronto	1972	10.8-25.6	2.8-6.7	Free-2.6	15.4-34.9
	1973	16.0-26.0	1.5-6.5	Free-1.8	20.3-32.5
	1974	17.0-24.8	1.1-7.8	Free-2.5	20.0-34.0
Montreal	1974	15.6-37.5	1.6-9.3	Free-2.1	19.3-46.8
Winnipeg	1974	14.5-41.3	3.2-5.7	Free-2.4	19.7-46.8
Vancouver	1974	18.3-43.3	2.3-4.4	Free-2.1	24.4-45.9

Source: Appendix Tables 13a and 13b.

#### CANADA-UNITED STATES COMPARISONS

Production of peaches in the United States amounted to more than 2.7 billion pounds in 1974, compared with 112.6 million pounds in Canada (see Appendix Table 14a). Production during the period 1971-74 compared with 1966-70 dropped in both countries, by 0.1 per cent in the United States and by 10.5 per cent in Canada. California is the major producer of peaches in the United States, accounting for 70 per cent of the total in 1974. Other major producing states appear to be Pennsylvania and South Carolina. In 1974, about 66.0 per cent of the total U.S. production was used for processing, compared with 24.0 per cent in Canada.

In 1974, U.S. production of fresh market peaches was 936.4 million pounds, about 11 times greater than Canada's (see Appendix Table 14b). From 1971 to 1974, U.S. fresh market peach production decreased by 22.0 per cent while Canadian output declined by 8.6 per cent. Although fresh market peaches were produced throughout the United States, the states accounting for more than 60 per cent of the total production in 1974 were, in order of importance, California, South Carolina, Pennsylvania, Michigan, and Georgia.<sup>(1)</sup>

U.S. output of processing peaches in 1974 amounted to 1.8 billion pounds, about 70 times more than the Canadian production of 26.7 million pounds (see Appendix Table 14c). While U.S. production of processing peaches increased by 17.1 per cent between 1971 and 1974, Canadian output declined by 16.1 per cent. Almost all U.S. processing peaches, 94.2 per cent in 1974 were produced in California and of these more than four-fifths were clingstone. Virtually the entire output of clingstone peaches is used for processing.

The comparative average farm values for fresh market and processing peaches, for major producing areas in Canada and the United States, for 1971 and 1974, are shown below in Table 7. It can be seen that the average farm price for fresh market peaches in Canada was slightly higher in 1974 than in the United States, 13.8 cents as against 13.1 cents. The differential in national averages was somewhat greater in 1971, both in absolute and percentage terms, so that it would seem that returns to growers have increased somewhat more rapidly in the United States. It appears that average farm prices for fresh market, freestone peaches are similar for the major growing areas in the two countries, with the exception of California. The average farm value of freestone peaches in California was 8.2 cents per pound compared with 13.8 cents in Ontario and 13.9 cents in British Columbia.

Table 7: Peaches: Average Farm Values for Fresh Market and Processing, Canada and United States, 1971 and 1974

	<u>Fresh Market</u>		<u>Processing</u>	
	<u>1971</u>	<u>1974</u>	<u>1971</u>	<u>1974</u>
- ¢ per lb. -				
Canada	9.5	13.8	7.1	10.0
Ontario	9.5	13.8	7.1	10.4
British Columbia	9.4	13.9	7.0	7.8
United States	8.4	13.1	4.5	7.6
California, clingstone	5.6	12.0	4.8	7.7
freestone	6.1	8.2	3.5	7.6
South Carolina	8.9	14.0	4.0	5.6
Pennsylvania	6.9	12.5	4.5	7.0
New Jersey	..	14.2 <sup>(a)</sup>	..	4.6 <sup>(a)</sup>
Michigan	6.5	13.0	3.9	7.5
Georgia	10.5	23.3	2.8	3.2

(a) 1973 figures.

Source: Appendix Tables 2, 3, 14b, and 14c.

(1) Noncitrus Fruits and Nuts, 1975 Annual Summary, U.S. Department of Agriculture, Washington, D.C.



Average farm prices for processing peaches are considerably lower in the United States than in Canada, particularly comparing Ontario and California, where each accounts for more than 85 per cent of its respective country's total peach processing. Ontario with an average farm value of 10.4 cents per pound in 1974 was about 35 per cent higher than the average of 7.7 cents for California. This cost advantage to United States processors existed in 1971 as well. It should be noted that the average farm value in British Columbia was in 1974 much more in line with the value in the United States.

In order to assess the competitiveness of the peaches grown in Canada and the United States, the Board attempted to obtain cost data for California, Michigan, North Carolina, British Columbia and Ontario. This information is presented in Table 8. The obvious shortcomings of these data are that they are out-of-date and are not for the same year, which makes comparisons difficult. On the other hand, it does point out that production costs are higher for the fresh market than for processing, and that the major difference is the cost of packaging materials. It also points out the very low production costs for clingstone peaches in California.

A comparison of the total unit costs of production in Table 8 with the average farm values for those years for the respective growing areas, indicates that the average farm values are not out of line with unit costs for fresh market peaches. It would, thus appear reasonable to assume that differences in farm values for fresh market peaches between the two countries are indicative of underlying cost differences. On this basis, Canadian growers of the fresh market product, appear to be at a substantial disadvantage with respect to California growers, although growers in Michigan and North Carolina appear to enjoy some competitive advantage as well.

As for processing peaches, the production costs in Table 8, even though the time period is not the same, indicate that it costs much less to produce a pound of clingstone peaches in California than a pound of freestone peaches for the processing market in Ontario. It is evident that the major factor underlying this difference is the much greater yield of the clings. If it is assumed that the average unit farm values, in Table 7, reflect production costs then it would appear that California growers, and hence processors, had an advantage of about 2.7 cents per pound, or close to 35 per cent, over Ontario growers.

With respect to the average farm value of 7.8 cents per pound for processing peaches in British Columbia, it is clear that this bears little relationship to actual production costs; costs increased by much more than 0.1 cent per pound between 1971 and 1974. However, in this province all peaches are sold by the B.C. Tree Fruit Marketing Board for both the fresh market and for processing. Inasmuch as over 85 per cent of the crop in that province is sold on the fresh market, the supplies surplus to that market, from the viewpoint of orderly marketing, are sold to processors at less than production cost. The "loss" on this small volume is covered by the higher returns from the fresh market. Processors will tend to pay a price which will be comparable to those paid by California processors.

Table 8: Peaches: Production Costs in Ontario, British Columbia and U.S. Growing Areas

	Ont. (Niagara Area)		B.C.	Calif. <sup>(a)</sup>	Mich. <sup>(b)</sup>	N.C. <sup>(b)</sup>
	Proc.	Fresh		Proc.	Fresh	Fresh
	1972		1972	1970	1969	1970
Yield, lb. per acre	10,000		16,000	28,600	10,000	22,500
- \$ per acre -						
Pre-Harvest or Cultivation Costs						
Labour	194.65					
Machines	63.40					
Materials	126.75					
Total	384.80		489.15	428.77	270.98	207.83
Harvesting and Marketing Costs						
Labour	229.50	296.10				
Machines	31.00	31.00				
Materials	15.00	272.76				
Marketing Board fees	10.00	23.04				
Total	285.50	622.90	178.51	224.10	88.00	829.20
Overhead Costs						
Land charges	240.00		355.95	161.60	135.00	..
Other	41.25		291.70	143.25	186.11	..
Total	281.25		647.65	304.85	321.11	117.11
Total Costs <sup>(c)</sup>	951.55	1,288.95	1,315.31	957.72	680.09	1,154.14
- ¢ per lb. -						
Total Cost	9.5	12.9	8.2	3.3	6.8	5.1

(a) Clingstone.

(b) Freestone.

(c) Before management.

Source: Background paper prepared for the Tariff Board by G.A. Fisher, P. Ag.



In Ontario peaches for processing and for the fresh market are marketed separately by the Ontario Tender Fruit Marketing Board and the Ontario Fresh Fruit Growers Marketing Board. Therefore, growers dependent largely or entirely on the processing market must cover their costs solely on the basis of returns from that market.

#### TARIFF CONSIDERATIONS

Fresh peaches entering Canada, for fresh market consumption or for processing, are currently dutiable under tariff item 9205-1. This item reads as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Peaches ..... per pound	Free	1½ cts. or 10 p.c. or Free	1½ cts. or 10 p.c. or Free

The Free rate shall apply during the months of November, December, January, February, March and April.

During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 14 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.

This item is bound under GATT and has existed in its present form since 1968, except that the 10 p.c. M.F.N. and Gen. rates were temporarily suspended from February 20, 1973, to June 30, 1974. The reductions since 1930 in the rates of duty on peaches under the Most-Favoured-Nation and General Tariff are shown in Table 9 which includes only those changes, by Statute or Trade Agreement, that affected applicable rates of duty. In the table, the rates shown are per cent ad valorem or cents per pound; where a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

The application of seasonal duty on imported peaches, authorized for 14 weeks, has differed slightly from year to year and from one tariff region to another, as shown in Appendix Table 15 for 1966 to 1975. In the central region, in those years in which the seasonal duty was applicable, it was applied for the maximum period of 14 weeks or 98 days. In the western region, the specific duty was applied, usually for the maximum permissible period in each year until 1973. In the Maritimes, in contrast, it was applied only in 1971. The seasonal duty has been introduced in the central region about one week earlier than in the western region. It has not been applied in any region since 1973.

Table 9: Peaches: Tariff History Since 1930

<u>Effective Data</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> <sup>(a)</sup>
1930, May 2 Statutory Change	Free <sup>(b)</sup>	15 p.c.	20 p.c. <sup>(c)</sup>
1939, Jan. 1 United States Trade Agreement		10 p.c. <sup>(d)</sup>	
1948, Jan. 1 GATT		1½ cts. <sup>(e)</sup> (9 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	1½ cts. (9 weeks) or 10 p.c.	1½ cts. (9 weeks) or 10 p.c.
1959, April 10 Statutory Change	Free	1½ cts. (14 weeks) or 10 p.c.	1½ cts. (14 weeks) or 10 p.c.
1968, Jan. 1 Statutory Change <sup>(f)</sup>	Free	1½ cts. (14 weeks) or 10 p.c. <sup>(g)</sup> or Free <sup>(h)</sup>	1½ cts. (14 weeks) or 10 p.c. <sup>(g)</sup> or Free <sup>(h)</sup>

(a) Applicable to imports from the United States until December 31, 1935, and from Chile until October 14, 1941.

(b) Under the South African Trade Agreement, effective June 30, 1933, free entry was bound for peaches from that country for the months of December to April, together with the maintenance of the existing margins of preference during those months.

(c) Not less than 1¼ cts., July 20-October 1.

(d) For the months May to November; other months remained at 15 p.c. - see footnote (b).

(e) Not applied until 1950.

(f) As a result of the Kennedy Round.

(g) The 10 p.c. rate was suspended, and free entry substituted, from February 20, 1973 to June 30, 1974, by Statute.

(h) Free entry is prescribed from November to April.

Source: Canadian Customs Tariff.

As shown in Appendix Table 16, the proportion of imported peaches subject to duty has virtually remained the same since 1966 with the exception of 1973 when the ad valorem rate was temporarily suspended and in 1974 when it was suspended until June 30. The change in the dutiable imports for these two years, therefore, does not reflect any change in the pattern of imports.

Due to increases in f.o.b. prices of imported peaches, the ad valorem equivalent of the specific duty declined from the average of 14.4 per cent during 1966-70 to 10.5 per cent during 1971-75. In 1975, the average price of dutiable peaches was at a record high of 24.2 cents per pound, so that the ad valorem equivalent of the specific duty, had it been applied in that year, would have been 6.2 per cent.

Peaches are imported into the United States under items 148.70 and 148.72 at the following rates of duty.

<u>Item</u>	<u>Articles</u>	<u>Rates of Duty</u>	
		<u>1</u>	<u>2</u>
	Peaches, fresh or prepared or preserved:		
	Fresh or in brine:		
148.70	If entered during the period from June 1 to November 30, inclusive, in any year .....	0.2¢ per lb.	0.5¢ per lb.
148.72	If entered at any other time .....	0.1¢ per lb.	0.5¢ per lb.

The U.S. seasonal specific duty is lower than the similar duty in Canada. As almost all Canadian production takes place between July and October, any exports during these months to the United States would be subject to a duty rate of 0.2 cent per pound. However, exports of peaches from Canada to the United States have declined to very small quantities.

The Canadian Horticultural Council proposed an increase in the specific duty from  $1\frac{1}{2}$  cents per pound to 3 cents per pound for both the Most-Favoured-Nation and General Tariff, with a minimum of 20 per cent ad valorem, and an extension of the 14-week seasonal period to 16 weeks. The Council also proposed the elimination of the 10 per cent ad valorem duty applicable in part of the off-season period. The Northwest Horticultural Council of Yakima, Washington, and the California Grape & Tree League opposed any increases in the duty. The more general representations of the Canadian Importers Association Inc., the National Farmers Union and the Consumers' Association of Canada are also relevant.

The Canadian Food Processors Association proposed that a new tariff item be created for "Peaches for Manufacture" with an off-season "Free" rate of duty, and a seasonal duty of 10 per cent ad valorem instead of the existing specific duty, with the period for the seasonal duty to remain at 14 weeks.

The Canadian Horticultural Council's proposal to extend the seasonal period of the specific duty was meant to extend the protection for domestic peaches appearing on the market before mid July or late in October. It was argued that because of the introduction in Canada of newer varieties of peaches developed to meet early and late market demand, especially the red peach varieties, a longer period of protection would be required against the downward price pressure exerted by imports from the United States. The increase in the seasonal specific duty from  $1\frac{1}{2}$  cents per pound to 3 cents per pound was requested to enhance the ad valorem equivalent of the specific duty eroded by increasing prices. The Council believed that the general trend toward higher prices in Canada and the United States during the past few years would continue, and that the  $1\frac{1}{2}$ -cent, per pound, specific duty would be inadequate.

The proposal of the Horticultural Council to drop the off-season rate of 10 p.c. would increase the duty-free period by some 10 weeks from 26 to 36 weeks, which would enable imports during May, the first week of June and October, to enter free of duty. Such imports may have amounted to about 1 million pounds per year in 1974.

For the present maximum period of seasonal application the proposed specific duty of 3 cents per pound would raise this duty by  $1\frac{1}{2}$  cents from its present level. Relative to 1974, when the specific duty was not applied and when the off-season duty of 10 p.c. was applicable the proposal of the Council would raise the rate of protection from 1.8 cents per pound, the specific duty equivalent of the off-season rate, to 3 cents, or by 1.2 cents per pound. In ad valorem terms, the increase in the level of protection would be from 10 per cent to 16.7 per cent, the ad valorem equivalent of 3 cents per pound on the average unit import value for 1974.

It is apparent that the 20 per cent minimum ad valorem rate proposed by the Council would already be operative as most imports of fresh peaches enter at a value for duty in excess of 15 cents per pound, the price at which the proposed specific duty of 3 cents would be equivalent to 20 per cent. The specific duty equivalent of a 20 p.c. duty, relative to average import prices for 1974, would be 3.6 cents, well above the specific duty proposed. Seasonal imports of peaches are estimated at 16.8 million pounds in 1974.

The Board estimated the costs of the proposal of The Canadian Horticultural Council to the Canadian consumer with respect to fresh market peaches at \$1.9 million on the basis of 1974 production and imports. This would come to about 33 cents per family of four per year. Benefits to growers are estimated at \$1 million, about 9 per cent of the \$11.9 million received for fresh market peaches in 1974.

The Canadian Food Processors Association's proposal for a separate tariff item for peaches for processing with a 10 p.c. seasonal duty for 14 weeks and duty-free off-season imports, is difficult to examine in detail in the absence of import data on fresh peaches imported for processing. Any fresh imports for processing would, as evident from Table 7, enter at values for duty close to 50 per cent lower than those of fresh market peaches. Consequently, if fresh peaches for processing continue to be entered under the same tariff item as fresh market peaches, the ad valorem equivalent effect of the specific duty would be higher for peaches imported for processing than for fresh market consumption. The ad valorem equivalent of the current specific duty of 1.5 cents per pound would be about 17.5 per cent for peaches imported for processing as against 8.7 per cent for peaches imported for fresh consumption. Similarly, under the Council's proposed rate of duty of 3 cents per pound, the ad valorem equivalent would be close to 35 per cent for imported processing peaches and 17.4 per cent for fresh market peaches. It can be argued that in view of this variation in the equivalent of the specific duty, a separate tariff item for processing peaches should be established.

#### CONCLUSIONS

Consumption of peaches, both fresh and processed, has expanded moderately during the period under review to a level just above 200 million pounds. The fresh market has experienced the more rapid growth, and accounts for about 55 per cent of total consumption of this fruit. During this time production has declined to a level averaging about 105 million pounds. As a result imports have increased their overall share of the Canadian market from just over a third during 1961-65 to close to half during 1971-74. Canadian growers have increased their sales to the fresh market at a pace exceeding the growth of consumption in that market, reducing the level of import penetration; in the domestic production period during 1971-74 they supplied, on average, close to 90 per cent of the market.

The decline in overall production and the expansion in fresh market sales has resulted in a sharp reduction in supplies of processing peaches and processing of this fruit in Canada. During 1971-74, an average of 24.4 million pounds of domestic peaches per annum were processed, compared with 56.4 million pounds during 1962-65. Imports, largely in the processed form, supply close to three-quarters of total Canadian consumption in this form. Although Canadian growers have curtailed their sales to processors greatly, during 1971-74 this market accounted still for close to a quarter of their total crop.

Production in British Columbia, the smaller of the two main growing areas in Canada, increased during the study period, and growers in this province also realized a more complete change-over in their sales from processing to fresh market. Of the 25 million pounds grown per year in British Columbia during 1971-74, about one-quarter of the Canadian total, only 13 per cent was sold to processors compared with almost 42 per cent in 1962-65. Ontario growers, producing about three-quarters of all peaches in Canada, also have sold more on the fresh market and less to processors, but they remain more dependent on processing than their colleagues in British Columbia. During 1971-74 they still sold on average some 30 per cent of the crop to processors; this compared with about 45 per cent in 1961-65.



The overall decline in output, the reduction in sales to processors and the expansion in fresh market sales are all related to the tremendous growth of the peach processing industry in California, based on the clingstone peach. Canadian growers, who traditionally produce freestone peaches, are at a considerable cost disadvantage relative to California growers of the high-yielding clingstone varieties, and have, at existing levels of tariff protection, been unable to compete in the processing end of the market. Consequently production has increasingly been sold on the fresh market, where cling peaches are not a major factor. At the same time, however, Canadian growers, particularly those in Ontario, have also increased their plantings and production of clingstone varieties.

The Board concludes that the peach growing industry, for both the fresh market and processing, should continue to receive tariff protection. It arrived at this conclusion for a number of reasons. Although sales to processors have declined sharply during the period under review, the volume being processed is at present still substantial, and, in view of the increased output of cling peaches, will remain so. In addition, a continuous volume of peaches is crucial for the existence of a domestic tender fruit processing industry, an important consideration not only for peaches but also other fruits; processing is an integral aspect of marketing. Moreover, while the peach growing industry as a whole has undergone a period of contraction, the industry today is in an improved position with, on average, younger and larger orchards. In the light of these factors and the cost disadvantage of domestic growers, and the erosion in the level of protection provided by the specific duty in recent years, the Board concludes that the level of the specific duty on peaches should be raised, and that a minimum ad valorem rate be introduced.

The Board, therefore, recommends a rate of 3 cents per pound for fresh market peaches under both the Most-Favoured-Nation and General Tariff, with a minimum ad valorem rate of  $12\frac{1}{2}$  per cent, this duty to be applicable, as at present, for a maximum period of 14 weeks, to be administered regionally. The B.P. rate would be Free. It is recommended that off-season imports enter free of duty, and that the present off-season duty of 10 p.c. be eliminated. The Board, on the basis of conclusions presented in the report pertaining to that commodity, recommends also that nectarines, for the fresh market, enter under the same tariff item as peaches at the rates recommended above. Furthermore, it is recommended that, fresh peaches, including nectarines, imported for processing, enter under a separate tariff item at a rate of 2 cents per pound, but not less than  $12\frac{1}{2}$  p.c., applicable year round.

#### RECOMMENDATIONS

The Board recommends that the existing tariff schedule in effect respecting peaches under tariff item 9205-1 be deleted and the following schedule be inserted:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Peaches, n.o.p., including nectarines ... per pound	Free	3 cts. but not less than $12\frac{1}{2}$ p.c., or Free	3 cts. but not less than $12\frac{1}{2}$ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 14 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Peaches, including nectarines, for processing ... per pound	Free	2 cts. but not less than $12\frac{1}{2}$ p.c.	2 cts. but not less than $12\frac{1}{2}$ p.c.
--	------	--	--





Peaches: Number of Trees, Acres and Farms Reporting, by Province and Region, 1961 and 1971

	1961				1971			
	No. of Farms Reporting	Number of Trees			No. of Farms Reporting	Number of Trees		
		Total	Under 5 yrs.	Over 5 yrs.		Total	Under 5 yrs.	Over 5 yrs.
<u>Atlantic Region</u>	297	13,085	3,566	9,519	103	7,066	2,369	4,697
Nfld.	-	-	-	-	-	-	-	-
P.E.I.	3	8	7	1	1	32	32	-
N.S.	293	13,074	3,556	9,518	102	7,034	2,337	4,697
N.B.	1	3	3	-	-	-	-	-
<u>Central Region</u>	3,121	1,531,153	467,596	1,063,557	1,950	1,391,025	536,589	854,436
Que.	16	74	27	47	10	26	14	12
Ont.	3,105	1,531,079	467,569	1,063,510	1,940	1,390,999	536,575	854,424
<u>Western Region</u>	2,614	346,913	108,367	238,546	1,746	273,242	107,244	165,998
Man.	1	10	10	-	-	-	-	-
Sask.	3	12	1	11	-	-	-	-
Alta.	2	7	7	-	3	59	3	56
B.C.	2,608	346,884	108,349	238,535	1,743	273,183	107,241	165,942
Canada (a)	6,032	1,891,151	579,529	1,311,622	3,799	1,671,333	646,202	1,025,131
								15,538

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Peaches: Fresh Market Production, Farm Value and  
Farm Value per Pound, by Province,  
1961-1974

---

	Average 1961-65(a)	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Ontario	48,988	53,920	72,630	46,440	50,816	60,956	57,711	+ 17.8
B.C.	12,963	11,952	21,370	18,690	23,784	24,932	22,194	+ 71.2
Canada	61,951	65,872	94,000	65,130	74,600	85,888	79,905	+ 29.0
- Farm Value, \$'000 -								
Ontario	3,325	5,515	6,899	6,259	6,500	8,415	7,018	+111.1
B.C.	571	981	2,003	2,057	3,227	3,454	2,685	+370.2
Canada	3,896	6,496	8,902	8,316	9,727	11,869	9,704	+149.1
- Farm Value, ¢ per lb. -								
Ontario	6.8	10.2	9.5	13.5	12.8	13.8	12.2	+ 79.4
B.C.	4.4	8.2	9.4	11.0	13.6	13.9	12.1	+175.0
Canada	6.3	9.9	9.5	12.8	13.0	13.8	12.1	+192.1

(a) Four-year average excluding 1961.

Source: Statistics Canada.

Peaches: Processing Market Production, Farm Value  
and Farm Value per Pound, by Province,  
1961-1974

	Average 1961-65 (a)	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Ontario	42,575	25,474	28,664	16,728	20,090	23,144	22,157	-48.0
B.C.	9,188	3,681	3,190	2,786	3,488	3,578	3,261	-64.5
Canada	51,763	29,155	31,854	19,514	23,578	26,722	25,417	-50.9
- Farm Value, \$'000 -								
Ontario	2,347	1,710	2,041	1,334	1,698	2,405	1,870	-20.3
B.C.	351	275	223	193	274	279	242	-31.1
Canada	2,698	1,985	2,264	1,527	1,972	2,684	2,112	-21.7
- Farm Value, ¢ per lb. -								
Ontario	5.5	6.7	7.1	8.0	8.5	10.4	8.4	+52.7
B.C.	3.8	7.5	7.0	6.9	7.9	7.8	7.4	+94.7
Canada	5.2	6.8	7.1	7.8	8.4	10.0	8.3	+59.6

(a) Four-year average excluding 1961.

Source: Statistics Canada.

## Peaches: Supply and Disposition Ratios, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74
	- per cent -						
<u>Per Cent of Domestic Production:</u>							
Sold for Processing	45.9	31.1	25.1	22.6	23.5	21.2	23.2
Sold to Domestic Fresh Market	53.4	68.6	74.8	77.2	76.3	78.7	76.7
Exported	0.7	0.3	0.1	0.1	0.2	0.1	0.1
<u>Total Imports as Per Cent:</u>							
of Total Supply Available	35.4	49.3	44.9	50.5	50.3	45.8	47.6
of Total Domestic Disappearance	35.6	49.4	44.9	50.5	50.4	45.8	47.7
<u>Fresh Imports as Per Cent:</u>							
of Fresh Market Availability	34.8	36.5	27.3	29.2	29.4	25.4	27.7
of Fresh Market Consumption	34.9	36.6	27.3	29.2	29.5	25.4	27.7
<u>Processed Imports as Per Cent:</u>							
of Consumption in Processed Form	38.3	63.9	67.2	74.4	73.2	71.6	73.4
of Total Domestic Disappearance	17.5	29.9	29.7	35.1	35.0	31.6	32.6
<u>Per Cent of Fresh Market Consumption:</u>							
From Domestic Production	67.0	65.5	73.9	72.4	72.7	76.4	73.9
From Imports	33.0	34.5	26.1	27.6	27.3	23.6	26.1
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in Processed Form	48.3	46.7	44.2	47.1	47.8	44.1	45.7
Consumed in Fresh Form	51.7	53.1	55.8	52.9	52.2	55.9	54.3
<u>Net Imports (a) as % of Total Domestic Disappearance</u>							
Production as % of Total Domestic Disappearance	35.1	49.3	44.9	50.4	50.3	45.8	47.6
Disappearance	65.9	50.7	55.1	49.6	49.7	54.2	52.4
<u>(a) Total imports minus total exports.</u>							

Source: Table 2.

Appendix Table 5

Peaches: Estimated Monthly Distribution of Fresh Shipments<sup>(a)</sup>,  
1966-1974

	Average 1966-70	Average 1971-74	1971	1972	1973	1974
- thousand pounds -						
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	652	1,502	282	118	2,771	2,835
Aug.	37,673	48,170	46,485	37,259	53,918	55,017
Sept.	25,875	30,664	46,297	27,506	18,197	30,654
Oct.	978	402	1,035	484	-	89
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
Total	65,178	80,737	94,099	65,366	74,886	88,595

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistic Canada and Agriculture Canada data.

Appendix Table 6

Peaches: Estimated Monthly Distribution of Fresh Market  
Consumption, 1961-1974

	Average 1961-65	Average 1966-70	Average 1971-74			
	Imports as % of Con- sumption	Imports as % of Con- sumption	From Domestic Produc- tion	From Imports	Total Consump- tion	Imports as % of Con- sumption
- per cent      -      -      thousand pounds      -      per cent						
Jan.	100.0	100.0	-	30	30	100.0
Feb.	100.0	100.0	-	125	125	100.0
Mar.	100.0	100.0	-	83	83	100.0
Apr.	-	5	-	3	3	100.0
May	100.0	100.0	-	532	532	100.0
June	100.0	100.0	-	5,871	5,871	100.0
July	97.1	95.2	1,502	11,006	12,508	88.0
Aug.	15.6	20.0	48,170	7,586	55,756	13.6
Sept.	6.2	9.8	30,664	3,105	33,769	9.2
Oct.	13.0	13.8	402	111	513	21.6
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
Total	33.0	34.5	80,737	28,452	109,189	26.1

Source: Derived from Statistics Canada and Agriculture Canada data.

Peaches: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Chile</u>	<u>Republic of South Africa</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -				
1966	33,914	15	70	-	34,000
1967	23,891	41	-	-	23,932
1968	40,576	48	-	-	40,624
1969	49,947	88	-	1	50,036
1970	33,441	95	-	-	33,537
Average 1966-70	36,354	57	14	*	36,426
1971	34,680	78	-	2	34,760
1972	26,314	64	-	-	26,378
1973	30,301	40	-	17	30,357
1974	29,414	86	-	11	29,512
1975	28,173	171	-	-	28,344
Average 1971-75	29,776	88	-	6	29,870

Source: Statistics Canada.

Peaches: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	314	393	286	451	374	387
Nfld.	22	31	3	54	5	2
P.E.I.	98	32	5	22	10	17
N.S.	9	49	97	177	189	186
N.B.	184	281	181	198	170	182
Central Region	24,811	24,587	17,369	20,961	19,797	18,731
Que.	11,463	11,852	7,768	9,949	9,298	8,941
Ont.	13,348	12,735	9,601	11,012	10,499	9,790
Western Region	11,301	9,781	8,723	8,944	9,339	9,225
Man.	1,848	1,500	1,622	1,974	1,848	1,835
Sask.	1,464	932	1,203	991	1,330	1,364
Alta.	3,220	2,525	2,574	2,383	2,952	3,111
B.C.	4,769	4,824	3,324	3,596	3,209	2,915
Canada	36,426	34,760	26,378	30,357	29,512	28,344

Source: Statistics Canada.



Peaches: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	20	0.1	36	0.1	15	5	60	89
Feb.	37	0.1	61	0.2	64	75	20	111
Mar.	26	0.1	58	0.2	1	11	96	131
Apr.	7	*	10	*	1	8	13	22
May	142	0.4	353	1.2	309	430	448	471
June	5,617	15.4	5,046	16.9	4,297	5,749	5,649	6,368
July	13,808	37.9	11,882	39.8	11,592	11,693	11,984	12,096
Aug.	11,589	31.8	7,976	26.7	8,007	7,746	7,160	5,752
Sept.	4,587	12.6	3,686	12.3	1,876	3,950	3,221	2,429
Oct.	573	1.6	742	2.5	202	662	828	855
Nov.	18	*	21	0.1	14	28	32	20
Dec.	1	*	-	-	-	-	-	-
Total	36,426	100.0	29,870	100.0	26,378	30,357	29,512	28,344

Source: Statistics Canada.

Appendix Table 10Peaches: Percentage Distribution of Imports to Fresh Market  
from United States, by State of Origin, by Region,  
1972-74

	<u>Calif.</u>	<u>N.J.</u>	<u>S.C.</u>	<u>Ga.</u>	<u>Other</u>	<u>Total</u>
- per cent -						
<u>1972</u>						
Atlantic Region	49.1	-	37.9	11.2	1.8	100.0
Central Region	63.5	10.8	11.6	13.0	1.1	100.0
Western Region	88.7	-	-	*	11.3	100.0
Canada	71.2	7.4	8.2	9.0	4.2	100.0
<u>1973</u>						
Atlantic Region	44.3	5.7	28.3	21.7	-	100.0
Central Region	51.7	24.6	11.5	8.3	3.9	100.0
Western Region	77.9	-	0.9	-	21.2	100.0
Canada	58.8	17.8	8.7	6.1	8.6	100.0
<u>1974</u>						
Atlantic Region	67.0	17.4	12.8	1.4	1.4	100.0
Central Region	70.1	15.0	8.1	4.5	2.3	100.0
Western Region	92.1	-	-	-	7.9	100.0
Canada	76.5	10.7	5.8	3.2	3.8	100.0

Source: Agriculture Canada.

Peaches: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>United Kingdom</u>	<u>Total</u>
	- thousand pounds -		
1966	406	-	406
1967	154	-	154
1968	125	-	125
1969	63	*	63
1970	90	-	90
Average 1966-70	168	-	168
1971	128	-	128
1972	117	-	117
1973	186	-	186
1974	129	-	129
1975	267	-	267
Average 1971-75	165	-	165

---

Source: Agriculture Canada.

## Peaches: Weekly Wholesale to Retail Prices at Montreal and Toronto, 1974

Week Ending	Montreal				Toronto			
	Cal., Ariz 20 lb.	Ga., S.C. 38 lb.	N.J. 38 lb.	Ont. 22 lb.	Cal., Ariz. 20 lb.	Ga., S.C. 38 lb.	N.J. 38 lb.	Ont. 22 lb.
	- cents per pound -							
May 10	46.9							
17	46.2							
24	45.7							
31	43.8							
June 7	52.8							
14	48.6							
21	35.5	40.5			58.8	41.7		
28	35.9	40.5			52.1	38.9		
July 5	34.8	37.1			46.9	38.4		
12	34.4	36.3			38.2	35.1		
19	31.2	33.4			38.2	31.6		
26	30.1	27.0			35.0	27.6		
Aug. 2	30.9	23.4			30.7	26.4		
9	28.8	29.0			33.2	29.6	31.6	37.0
16	26.3	31.8			31.3	30.9	32.9	31.6
23		25.8			28.2	27.0	29.6	23.3
30		26.3			28.2	27.0	27.0	23.9
Sept. 6		25.4	24.4				27.6	27.3
13		27.6	25.4				25.7	25.2
20							25.3	22.3
27							29.6	22.3
Oct. 4							29.6	24.3
							29.6	24.5

Source: Agriculture Canada.

Peaches: Weekly Wholesale to Retail Prices at Winnipeg and Vancouver, 1974

Week Ending	Winnipeg			Vancouver		
	Cal./Wash. 20 lb.	B.C. 17 lb.	Ont. 22 lb.	Cal., 20 lb.	Ariz. 17 lb.	B.C. 17 lb.
	- cents per pound -					
May 17				62.5		
24		51.9		60.3		
31		51.3		60.3		
June 7		46.9		62.5		
14		39.4		49.4		
21		37.5		48.2		
28		40.0		45.0		
July 5		38.2		41.9		
12		35.0		42.3		
19		31.0		38.7		
26		28.7		36.3		
Aug. 2		29.6		35.7		35.3
9		29.1	31.4			35.3
16		29.1	31.4			35.3
23		24.8	31.8			35.3
30		24.8	31.4			33.8
Sept. 6		24.8	31.8			31.9
13		24.5	31.8			33.1
20		30.0	30.8			37.7
27		30.0	30.9			
Oct. 4		30.0	30.5			

Source: Agriculture Canada.

Imported United States Peaches: Total Landed Costs; Cost f.o.b.; Freight, Brokerage  
and Other Costs; Cost of Duty; Toronto; Selected  
Data by Month, 1972-1974

Month of Shipment	1972					1973					1974				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
	- cents per pound -														
May	S.C.	22.7	2.8	2.3	27.8	-	-	-	-	-	-	-	-	-	-
June	S.C.	21.3	3.4	2.1	26.8	-	-	-	-	-	-	-	-	-	-
	Calif.	23.3	4.2	2.3	29.8	Calif.	16.0	6.2	-	22.2	-	-	-	-	-
	"	25.6	6.7	2.6	34.9	"	23.3	6.4	-	29.7	-	-	-	-	-
	Ga.	15.7	3.4	1.6	20.7	"	26.0	6.5	-	32.5	-	-	-	-	-
July	Ga.	11.8	3.4	1.2	16.3	-	-	-	-	-	S.C.	24.0	4.6	2.4	31.0
	"	10.8	3.5	1.1	15.4	-	-	-	-	-	"	24.8	1.2	2.5	28.5
	S.C.	12.1	3.5	1.2	16.8	N.J.	17.7	1.5	1.6	20.8	Calif.	23.8	7.8	2.4	34.0
	"	13.3	3.5	1.3	18.1	"	17.2	1.5	1.6	20.3	S.C.	21.6	1.1	2.2	24.9
	"	15.5	3.2	1.6	20.3	"	17.8	1.5	1.6	20.9	"	18.3	4.4	1.8	24.5
	Ariz.	18.2	5.3	1.8	25.3	-	-	-	-	-	Calif.	22.0	5.9	2.2	30.1
	Calif.	18.1	6.7	1.8	26.6	-	-	-	-	-	S.C.	17.0	4.4	1.7	23.1
	Ga.	16.0	3.4	1.6	21.0	-	-	-	-	-	-	-	-	-	-
	S.C.	17.3	3.4	1.7	22.4	-	-	-	-	-	-	-	-	-	-
	"	18.6	3.4	1.9	23.9	-	-	-	-	-	-	-	-	-	-
Aug.	-	-	-	-	-	N.J.	17.0	1.5	1.8	20.3	S.C.	22.0	3.0	2.2	27.2
	-	-	-	-	-	"	18.7	1.5	1.6	21.8	N.J.	21.9	3.0	2.2	27.1
	-	-	-	-	-	-	-	-	-	-	"	18.7	1.3	-	20.0

Source: Tariff Board survey.

Imported United States Peaches: Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Cost; Cost of Duty; Montreal, Winnipeg and Vancouver, Selected Data by Month, 1974

Month of Shipment	Montreal					Winnipeg					Vancouver				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
										- cents per pound -					
May	Calif.	37.5	9.3	-	46.8	Calif.	40.8	5.7	-	46.5	Calif.	43.3	2.6	-	45.9
	-	-	-	-	-	"	41.3	5.5	-	46.8	"	41.0	2.3	-	43.3
	-	-	-	-	-	-	-	-	-	-	"	41.5	3.6	-	45.1
June	-	-	-	-	-	-	-	-	-	-	Calif.	38.8	4.2	-	45.0
	-	-	-	-	-	-	-	-	-	-	"	31.5	4.2	-	35.7
	-	-	-	-	-	-	-	-	-	-	"	31.3	4.2	-	35.5
	-	-	-	-	-	-	-	-	-	-	"	26.5	4.4	-	30.9
July	Wash.	20.7	1.8	2.1	24.6	Calif.	23.2	5.6	2.3	31.1	Calif.	21.3	4.1	2.1	27.5
	"	16.1	1.6	1.6	19.3	"	18.3	5.0	1.8	25.1	"	21.5	3.9	2.1	27.5
	S.C.	16.5	2.9	1.6	21.0	"	14.5	5.8	1.5	21.8	"	18.3	4.3	1.8	24.4
	N.J.	15.6	2.2	1.6	19.4	"	15.0	3.2	1.5	19.7	"	18.8	4.0	1.9	24.7
Aug.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sept.	-	-	-	-	-	Wash.	23.8	4.3	2.4	30.5	-	-	-	-	-
	-	-	-	-	-	"	23.8	4.4	2.4	30.6	-	-	-	-	-

Source: Tariff Board survey.

Peaches: Production, Farm Value and Farm Value per Pound,  
United States, by State, 1966-1974

	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
- Production, '000 lb. -						
California						
clingstone		1,156,000	1,104,000	1,132,000	1,456,000	1,212,000
California						
freestone		404,000	352,000	420,000	452,000	407,000
Georgia		120,000	190,000	100,000	45,000	113,750
Michigan		82,000	10,000	50,000	70,000	53,000
New Jersey		125,000	25,000	92,000	91,000	83,250
Pennsylvania		105,000	80,000	81,000	120,000	96,500
South Carolina		290,000	220,000	245,000	215,000	242,500
Other States		<u>458,900</u>	<u>307,500</u>	<u>322,900</u>	<u>291,700</u>	<u>345,250</u>
Total	3,248,940	2,740,900	2,288,500	2,442,900	2,740,700	2,553,250
- Farm Value, \$'000 -						
California						
clingstone		55,141	49,570	63,392	112,112	70,054
California						
freestone		18,867	20,768	27,300	35,256	25,548
Georgia		10,440	16,853	15,900	8,055	12,812
Michigan		4,756	1,070	5,750	8,190	4,942
New Jersey		10,625	4,275	12,788	13,104	10,198
Pennsylvania		6,846	10,400	9,153	14,280	10,170
South Carolina		23,432	22,660	28,175	27,090	25,339
Other States		<u>36,461</u>	<u>33,891</u>	<u>40,454</u>	<u>40,696</u>	<u>37,876</u>
Total	169,958	166,568	159,487	202,912	258,783	196,938
- Farm Value, ¢ per lb. -						
California						
clingstone		4.8	4.5	5.6	7.7	5.8
California						
freestone		4.7	5.9	6.5	7.8	6.3
Georgia		8.7	8.9	15.9	17.9	11.3
Michigan		5.8	10.7	11.5	11.7	9.3
New Jersey		8.5	17.1	13.9	14.4	12.2
Pennsylvania		6.5	13.0	11.3	11.9	10.5
South Carolina		8.1	10.3	11.5	12.6	10.4
Other States		7.9	11.0	12.5	14.0	11.0
Total	5.2	6.1	7.0	8.3	9.4	7.7

Source: U.S. Department of Agriculture.



Appendix Table 14b

Peaches: Fresh Market Production and Farm Value per Pound,  
United States, by State, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
California					
clingstone	2,600	2,400	2,000	3,000	2,500
California					
freestone	171,200	163,000	169,000	206,000	177,300
Georgia	92,200	135,600	80,400	34,700	85,725
Pennsylvania	88,700	71,800	70,300	106,400	84,300
South Carolina	247,000	200,000	220,000	177,000	211,000
Other States	<u>598,200</u>	<u>311,100</u>	<u>423,700</u>	<u>409,300</u>	<u>435,575</u>
Total	1,199,900	883,900	965,400	936,400	996,400
- Farm Value, ¢ per lb. -					
California					
clingstone	5.6	7.3	12.4	12.0	9.2
California					
freestone	6.1	7.5	6.8	8.2	7.2
Georgia	10.5	11.4	19.0	23.3	14.1
Pennsylvania	6.9	13.8	11.9	12.5	11.2
South Carolina	8.9	10.8	12.2	14.0	11.3
Other States	..	..	..	..	..
Total	8.4	10.5	12.3	13.1	10.9

Source: U.S. Department of Agriculture.

Appendix Table 14c

Peaches: Processing Market Production and Farm Value per Pound,  
United States, by State, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
California					
clingstone	1,153,400	1,101,600	1,130,000	1,453,000	1,209,500
California					
freestone	232,800	189,000	251,000	246,000	229,700
Georgia	27,800	54,400	19,600	10,300	28,025
Pennsylvania	16,300	8,200	10,700	13,600	12,200
South Carolina	43,000	20,000	25,000	38,000	31,500
Other States	<u>67,700</u>	<u>31,400</u>	<u>41,200</u>	<u>43,400</u>	<u>45,925</u>
Total	1,541,000	1,404,600	1,477,500	1,804,300	1,556,850
- Farm Value, ¢ per lb. -					
California					
clingstone	4.8	4.5	5.6	7.7	5.8
California					
freestone	3.5	4.4	6.3	7.6	5.5
Georgia	2.8	2.6	3.2	3.2	2.8
Pennsylvania	4.5	5.6	7.4	7.0	6.0
South Carolina	4.0	4.8	4.9	5.6	4.8
Other States	..	..	..	..	..
Total	4.5	4.4	5.7	7.6	5.7

Source: U.S. Department of Agriculture.

Peaches: Dates of Application and Removal of the Seasonal Specific Duty, by Tariff Region, 1966-1975

Year (a)	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	July 20	Oct. 26	98	July 26	Nov. 1	98
1967	-	-	-	July 18	Oct. 24	98	July 26	Nov. 1	98
1968	-	-	-	July 11	Oct. 17	98	July 25	Oct. 31	98
1969	-	-	-	July 25	Oct. 30	97	July 30	Nov. 5	97
1970	-	-	-	July 16	Oct. 22	98	July 23	Oct. 29	98
1971	Aug. 20	Nov. 25	97	Aug. 11	Nov. 17	98	July 22	Oct. 27	97
1972	-	-	-	July 19	Oct. 25	98	July 25	Oct. 31	98
1973	-	-	-	-	-	-	July 19	Oct. 25	98
1974	-	-	-	-	-	-	-	-	-
1975	-	-	-	-	-	-	-	-	-

- (a) Government fiscal year, commencing April 1st; ending March 31st following year.  
 (b) Includes Quebec and Ontario east of Thunder Bay, Ontario.  
 (c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Peaches: Dutiable Imports and the Ad Valorem Equivalent of the  
M.F.N. Specific Duty, 1966-1975

	Imports				Price f.o.b. Dutiable -¢ per lb.-	M.F.N. Specific Duty - ¢ per lb. -	Ad Valorem Equivalent of M.F.N. Specific Duty - per cent -
	Total '000 lb.	Non- Dutiable '000 lb.	%	Dutiable '000 lb.			
1966	34,000	145	0.4	33,854	9.5	1.5	15.8
1967	23,932	34	0.1	23,898	13.8	1.5	10.9
1968	40,624	323	0.8	40,301	9.3	1.5	16.1
1969	50,036	424	0.8	49,612	9.4	1.5	16.0
1970	33,537	226	0.7	33,310	11.8	1.5	12.7
Average 1966-70	36,426	230	0.6	36,195	10.4	1.5	14.4
1971	34,760	224	0.6	34,535	12.2	1.5	12.3
1972	26,378	411	1.6	25,966	16.2	1.5	9.3
1973	30,357	18,641	61.4	11,716	16.4	1.5	9.1
1974	29,512	11,247	38.1	18,264	18.0	1.5	8.3
1975	28,344	727	2.6	27,617	24.2	1.5	6.2
Average 1971-75	29,870	6,250	20.9	23,620	17.2	1.5	8.7

Source: Statistics Canada.



PEARSTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	272
Production and Farm Value .....	273
Supply and Disposition .....	275
Imports .....	280
Exports .....	280
Prices .....	282
Canada-United States Comparisons .....	284
Tariff Considerations .....	286
Conclusions .....	291
Recommendations .....	292
Appendix Tables .....	293





### PEARS

Botanically, pears belong to the family Rosaceae which includes the apple, quince, medlar, hawthorn and shadbush. It is of the genus Pyrus which includes about 25 species of pears native to Europe, Asia, and northern Africa. In North America, there are five Pyrus species and in Europe, eight or nine. No species is known to be indigenous to the Americas. All of the commercial pears in North America are derived from the Eurasian Pyrus communis, but some are hybrids.

There are thousands of pear varieties but only a few are commercially important. The main varieties grown in Canada include Bartlett (known as Williams in Europe), Kieffer, Anjou (full name Beurre d'Anjou), Bosc (Beurre Bosc) and Clapp Favourite. The Bartlett, Clapp Favourite and Kieffer are essentially early varieties, while the Anjou and Bosc are winter varieties. The Bartlett, the leading commercial variety in the Northern Hemisphere, is somewhat irregular and bell-like in shape, fairly thin in skin, tender, and when ripe is clear yellow. Its flesh is white, fine, free of grit, melting and juicy. In Canada, it generally matures in August and September but sometimes is picked earlier if the weather has been favourable. The Bartlett is sold for both fresh market use and processing. Clapp Favourite resembles the Bartlett in size and form but is somewhat smoother and usually has a clubbed stem. Its skin is greenish-yellow, often blushed, and its flesh is fairly fine and juicy with some grit at the centre. This pear rates among the best of the early fresh market varieties. Both the Bartlett and the Clapp Favourite are highly susceptible to fire blight, a bacterial disease.

The Anjou, a winter variety, is oval to globular in shape, with a short, obscure, thick neck and yellowish-green skin. The flesh is yellowish-white, fairly fine, buttery juicy and has some grit at the centre. It is also aromatic, spicy and sweet flavoured. Well suited for storage, the Anjou matures in late September - about five weeks after the Bartlett - and is sold to the fresh market or for processing. The Bosc has a long-tapering neck and dark-yellow skin overlaid with cinnamon-russet that varies in intensity depending upon climate and growing conditions. The flesh is rich and venous and it has an aromatic flavour. The Bosc rates among the best in dessert quality when properly grown. It is also a winter pear and rates next to the Anjou in quality. The Kieffer is a coarse pear with sandy flesh, and is gradually losing popularity. It is used for processing only. The Kieffer is, however, less susceptible to blight and has high yields.

Pears are eaten fresh, in salads, stewed, baked, fried, pickled or glazed and in jellies, jams, marmalades and baked goods. They are dried for future use and canned in great quantities. In 1974, the commercial value of domestic pears was about \$7 million at the farm level. The average annual per capita consumption of pears in fresh and processed form was 6.57 pounds in 1971-74 - 3.85 pounds fresh and 2.72 pounds processed.

### GROWING, HARVESTING AND MARKETING

Pear trees are usually propagated by grafting or budding on selected root stocks that have been grown in a seed-bed and then in a nursery. Although seed from any variety is suitable for seedling stock, Bartlett seed is generally used because of its availability as core waste from canneries. The most satisfactory trees for general planting are one-year whips, 4 to 6 feet in height. These withstand the shock of transplanting better than two-year trees. Pear trees are usually set 20 feet apart and begin to bear fruit when they are about five to seven years old. They reach full production in 12 to 15 years. The productive life of a pear tree is up to 30 years.

Pears are grown in milder, dryer and warmer regions of Canada than apples because they bloom somewhat earlier and have less resistance to cold. The fruit grows best in warm and dry regions where there is little summer rainfall and nights are cool, thus reducing the risk of fire blight infection. Pear trees do not thrive where temperatures occur below  $-37^{\circ}\text{C}$ , however, the Bartlett requires long, cold winters, otherwise trees grow poorly and bear little fruit. For the main varieties, the best dessert and storage quality is obtained when the temperature is relatively high during the growing season.

Pears do not successfully ripen on the tree so they are picked green. Picking time is usually determined by flesh firmness and colour. Size does not always indicate maturity. When picked, pears are usually placed in a canvas bag that is emptied carefully into a field lug by opening the bottom of the bag. Picking, sorting and sizing are usually done by hand, although in modern plants, mechanical sizing has been introduced.

In Canada, commercial production is confined to British Columbia, Ontario, and Nova Scotia. The Bartlett is the main variety in all three provinces. The Anjou is popular in British Columbia, the Kieffer and Bosc in Ontario, and the Clapp Favourite in Nova Scotia. About 60 per cent of the pear crop is sold for fresh market consumption; the rest for processing. While the Bartlett, Anjou, Bosc and Clapp Favourite are primarily grown for the fresh market, the Kieffer is grown exclusively for processing. At the retail level, the fruit is sold in baskets and fibreboard, cardboard or wooden boxes.

Pears are storable. Depending on the variety and the region, they are marketed in Canada from August to February, although peak production occurs in September and October. During these two months more than 60 per cent of total shipments are made. Small amounts have moved out of storage as late as May. The proportion of the crop being stored is increasing steadily. In 1971, approximately 21.1 per cent of the total was stored; in 1974, it was about 40.0 per cent (see Appendix Table 14). The average quantity stored in 1971-74 was 26.7 per cent of total production. Thus actual marketing is being extended much beyond the production period. The ideal temperature for commercial storage of fall and winter varieties is  $-1^{\circ}\text{C}$  and for the Bartlett, slightly colder. The Bartlett is stored for one-and-a-half to three months; the Bosc, for two to three months; and the Anjou for four to five months.

### PRODUCTION AND FARM VALUES

According to the 1971 Census, there has been a sharp decline in the number of farms producing pears - from 10,432 in 1961 to 5,986 in 1971. However, as the total number of trees remained relatively constant, the average farm size (in terms of trees) was up sharply in 1971 to 183 trees from 113 trees in 1961. The number of farms reporting declined in all three regions while the tree total increased in the Atlantic region and declined in the central and western regions. The Ontario industry recorded 687 thousand trees in 1971, of which 541 thousand were five years old and over, while the British Columbia industry had 346 thousand trees, with 288 thousand trees five years old and over.

Production in provinces other than Ontario, British Columbia, and Nova Scotia is small and used for local demand only; thus, their production figures are not included in national statistics. As shown in Table 1, pear production has tended to increase since 1961 reaching an annual average of 82.6 million pounds in 1971-74 - up 3.9 per cent from the 1961-65 average of 79.5 million pounds. Ontario production during this period declined from 46.1 million to 37.6 million pounds and now represents about 46 per cent of the Canadian total. British Columbia's output rose by more than a third to 41.8 million pounds, equal to 50 per cent of the Canadian crop. Nova Scotia's share was about 4 per cent, although its output has increased by 25 per cent during the period under review.

It is apparent that British Columbia, with a higher level of pear production than Ontario, and less than half the number of productive trees, realized substantially higher yields per tree and per acre. On average, output per tree<sup>(1)</sup> in the western province during 1971-74 was 145.2 pounds, as against 69.5 pounds in Ontario. Per acre, yields in the two provinces were 11,781 pounds and 5,284 pounds. In view of this substantial advantage in yields, an advantage which appears to have increased during the period under review, it is not surprising that the British Columbia industry has been the growth sector.

Between 1961-65 and 1971-74, the total farm value of pears rose by 63.2 per cent from \$3.4 million to \$5.6 million. Although production in Ontario declined by 18 per cent, the total farm value in that province rose 51 per cent - a reflection of the sharp increase in per pound farm values. The average farm return per pound for Canada increased by 58 per cent during the review period. Ontario led the way with per pound values rising by 87.5 per cent from 4.0 cents in 1961-65 to 7.5 cents in 1971-74. The average Ontario farm value in 1974 was 10.1 cents per pound.

---

(1) Average annual output during 1971-74 divided by the number of trees five years old and over reported in 1971.

Table 1: Pears: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Nova Scotia	2,530	3,260	3,250	3,500	2,500	3,450	3,175	+25.5
Ontario	46,050	43,568	50,800	46,750	19,630	33,130	37,578	-18.4
B.C.	30,910	34,666	36,608	36,640	47,184	46,850	41,821	+35.3
Canada	79,490	81,495	90,658	86,890	69,314	83,430	82,573	+ 3.9
- Farm Value, \$'000 -								
Nova Scotia	94	122	125	154	168	249	174	+85.1
Ontario	1,857	2,397	3,061	3,248	1,565	3,347	2,805	+51.1
B.C.	1,484	2,016	1,716	2,458	3,127	3,202	2,626	+77.0
Canada	3,435	4,534	4,902	5,860	4,860	6,798	5,605	+63.2
- Farm Value, ¢ per lb. -								
Nova Scotia	3.7	3.7	3.8	4.4	6.7	7.2	5.5	+48.6
Ontario	4.0	5.5	6.0	6.9	8.0	10.1	7.5	+87.5
B.C.	4.8	5.8	4.7	6.7	6.6	6.8	6.3	+31.3
Canada	4.3	5.6	5.4	6.7	7.0	8.1	6.8	+58.1

Source: Statistics Canada.

Separate data on production for the fresh and processing markets are available since 1962 in Ontario and British Columbia (see Appendix Tables 2 and 3). During 1971-74, about 70 per cent of British Columbia production was for the fresh market while in Ontario some 66 per cent of output was for processing. Of the total output of the two provinces during 1971-74, 53 per cent was for the fresh market compared with 47 per cent in 1962-65.

Although fresh market production has increased in both provinces, it has gone up considerably more in British Columbia (21 per cent) than in Ontario (about 2 per cent). On average during 1971-74, British Columbia produced 29.4 million pounds for the fresh market, more than double Ontario's 12.9 million.

Production for the processing market between 1962-65 and 1971-74 dropped 29 per cent in Ontario but increased 84 per cent in British Columbia. Combined, the two provinces' output for processing declined about 10 per cent - from 41.4 million pounds in 1962-65 to 37.1 million pounds in 1971-74. During the latter period Ontario produced twice as many pears for processing as British Columbia. Ontario's position as a grower of processing pears has, however, diminished sharply since 1962-65 when it produced more than five times as much as British Columbia.

The trend in Ontario toward greater production for the fresh market and less for processing may be explained, in part, by the per pound farm values in that province. Between 1962-65 and 1971-74, the average farm value of pears for fresh consumption rose by 147 per cent to 9.4 cents compared with a 55 per cent increase

to 6.5 cents for pears for processing. In British Columbia, on the other hand, it grew by 49 per cent for fresh market pears and declined by about 5 per cent for processing fruit even though output had risen substantially.

In 1971-74, farm prices of fresh market pears were higher than those for processing by an average of 44.6 per cent in Ontario and 87.2 per cent in British Columbia. Fresh market and processing pear farm prices were lower in British Columbia than in Ontario, especially processing pear prices. The average farm price for processing pears in British Columbia was about one-half of Ontario's in 1971-74.

#### SUPPLY AND DISPOSITION

The total supply of pears averaged 148.7 million pounds in 1971-74 compared with 115.4 million pounds in 1961-65 - an increase of 28.1 per cent. During the review period domestic output rose 3.9 per cent from an average of 79.5 million pounds to 82.6 million pounds, and imports, including processed pears converted to fresh equivalent weight, increased 81.7 per cent from an average of 35.9 million pounds to 65.2 million pounds. As a result of the faster increase in imports than in domestic production, imports comprised 44.1 per cent of total supply in 1971-74 compared with 31.1 per cent in 1961-65 (see Table 2).

In 1971-74, exports accounted for 2.5 million pounds or about 3.1 per cent of total domestic production. This was a sharp drop from 7.8 million pounds or 9.8 per cent of total production exported during 1961-65. Almost all exports, more than 98.3 per cent in 1971-74, were in the fresh form. Processed exports dropped to a meagre 42,000 pounds from 2.7 million pounds in 1961-65, a decrease of 98.4 per cent. The reduction in fresh market exports was 51.4 per cent during the same period.

Between 1961-65 and 1971-74, total domestic disappearance increased 34.2 per cent from an annual average of 107.5 million pounds to 144.3 million pounds. Fresh market consumption of pears increased 37.7 per cent from the 1961-65 average of 61.4 million pounds to the 1971-74 average of 84.6 million pounds. However, the proportion of all pears consumed fresh remained the same during the period under review at a little more than 58.6 per cent. Less than half of the demand for fresh pears, 48.1 per cent, was met by domestic production in 1971-74 compared with 60.4 per cent in 1961-65. Most of the growth in annual fresh market consumption accrued to imports; consumption of imported fresh pears expanded by 80.7 per cent comparing 1971-74 with 1961-65, while fresh market consumption of domestic pears rose by 9.6 per cent.

Consumption of pears in processed form increased 29.5 per cent from 46.1 million pounds in 1961-65 to 59.7 million pounds in 1971-74. The share of this demand met by domestic production fell from 75.0 per cent in 1961-65 to 65.9 per cent in 1971-74. Consequently, imports increased from 25.0 per cent in 1961-65 to 34.1 per cent in 1971-74, with processed pears, rather than fresh pears imported for processing, accounting for the bulk of the increase.



Table 2: Pears: Supply and Disposition, Canada, Crop Years 1961-65 to 1971-74

	Average 1961-65	Average 1966-70	1971-72	1972-73	1973-74	1974-75	Average 1971-74	% Change 1961-65 to 1971-74
<u>Total Production</u>	79,490	81,495	90,658	86,890	69,314	83,430	82,573	+ 3.9
<u>Total Imports</u>	35,901	45,306	57,640	58,026	75,368	69,821	65,215	+ 81.7
Fresh	25,546	35,363	42,922	40,663	61,300	50,733	48,905	+ 91.4
Processed (canned) (a)	7,755	9,664	14,417	17,090	13,596	19,041	16,036	+106.8
Processed (dried) (b) (c)	340	85	301	34	205	47	148	- 56.5
Processed (juice) (c) (d) (e)	2,260	194	-	239	267	-	126	- 94.4
<u>Total Supply Available</u>	115,391	126,801	148,298	144,916	144,682	153,251	147,788	+ 28.1
<u>Available for processing or imported processed</u>	48,788	54,707	62,769	63,938	51,123	61,352	59,797	+ 22.6
From domestic production	37,257	39,437	47,244	46,319	28,055	36,032	39,413	+ 5.8
Imported processed	10,355	9,943	14,718	17,363 (h)	14,068 (h)	19,088	16,310	+ 57.5
Imported fresh	1,176	5,327 (g)	807	256	9,000	6,323	4,074	+246.4
<u>Available for fresh market</u>	66,603	72,094	85,529	80,978	93,559	91,899	87,991	+ 32.1
From domestic production	42,233	42,058	43,414	40,571	41,259	47,398	43,160	+ 2.2
Imported	24,370	30,036	42,115	40,407	52,300	44,501	44,831	+ 84.0
<u>Total Exports</u>	7,800	6,099	3,006	2,571	807	3,726	2,528	- 67.6
Fresh	5,117	5,251	2,968	2,558	703	3,714	2,486	- 51.4
Processed (canned) (a)	2,683	848	38	13	104	12	42	- 98.4

Table 2: Pears: Supply and Disposition, Canada, Crop Years 1961-65 to 1971-74 (concl.)

	Average 1961-65	Average 1966-70	1971-72	1972-73	1973-74	1974-75	Average 1971-74	% Change 1961-65 to 1971-74
<u>Total Re-Exports</u>				- '000 lb.	-			
Fresh	42	1,243	151	3,100	195	199	911	+2,069.0
Processed (canned) (a)	41	1,236	149	3,100	27	198	868	+2,017.1
	1	7	2	*	168	1	43	+4,200.0
<u>Total Domestic Disappearance</u>	107,549	119,459	145,141	139,245	143,680	149,326	144,349	+ 34.2
Consumed in processed form	46,104	53,852	62,729	63,925	50,851	61,339	59,712	+ 29.5
From domestic production	34,574	38,589	47,206	46,306	27,951	36,020	39,371	+ 13.9
Imported processed	10,354 (f)	9,936 (g)	14,716	17,363 (h)	13,900 (h)	19,087	16,267	+ 57.1
Imported fresh	1,176	5,327	807	256	9,000	6,232	4,074	+ 246.4
<u>Fresh Market Consumption</u>	61,445	65,607	82,412	75,320	92,829	87,987	84,637	+ 37.7
From domestic production	37,116	36,807	40,446	38,013	40,556	43,684	40,674	+ 9.6
Imported	24,329	28,800	41,966	37,307	52,273	44,303	43,963	+ 80.7

- (a) Converted to fresh equivalent on the basis of 1.12 lb. fresh per 1 lb. canned product.  
 (b) Converted to fresh equivalent on the basis of 3.59 lb. fresh per 1 lb. dried product.  
 (c) U.S. exports to Canada used as imports.  
 (d) Pear juice and nectar single strength, in airtight containers, but not frozen.  
 (e) Converted to fresh equivalent on the basis of 1.66 lb. fresh per 1 lb. juice product.  
 (f) Four-year average excluding 1964 due to confidentiality.  
 (g) Two-year average excluding 1967, 1968 and 1970 due to confidentiality.  
 (h) Tariff Board estimate.

Source: Derived from Statistics Canada and Agriculture Canada data.



Per capita consumption of pears in fresh and processed form increased from 5.68 pounds in 1961-65 to 6.57 pounds in 1971-74; consumption in fresh form from 3.24 pounds to 3.85 pounds and in the processed form from 2.43 pounds to 2.71 pounds. Consumer preference for lighter desserts, such as fresh fruits, partly contributed to the larger relative increase in per capita consumption of pears in the fresh form rather than in the processed form.

Appendix Table 5 shows that pears for the fresh market are usually available from domestic production from August to February. Some shipments have occurred in March and April, but in 1971-74 these accounted for less than 1 per cent of domestic production. The largest shipments occur in September and to a lesser extent in October. Shipments in other months tend to be small.

As shown in Table 3, most of the Canadian fresh market demand from August to February is met by domestic production. However, this domination is declining as an increasing proportion of the domestic fresh market consumption is being satisfied by imports during this season. In 1961-65, imports met 29.0 per cent of the fresh market demand during August to February; in 1971-74, they satisfied 39.9 per cent of the demand. During other months of the year, when domestic supplies are unavailable, Canadian consumers are totally dependent on imports.

Table 3: Pears: Domestic Fresh Market Consumption,  
August to February, 1961-65 to 1971-74

	<u>1961-65</u>	<u>1966-70</u>	<u>1971-74</u>
	- '000 lb. -		
From domestic production	37,042	36,549	39,975
From imports	15,108	16,071	26,520
Fresh market consumption	52,150	52,620	66,485
Imports as per cent of fresh market consumption	29.0	30.5	39.9

Source: Derived from Statistics Canada data.

For certain varieties of pears, especially the Anjou produced in British Columbia, there is a significant volume of inter-provincial trade. It appears from Appendix Table 15 that the Anjou is shipped to several major markets across Canada, i.e., Halifax, Montreal, Toronto, and Winnipeg, from October through to April. The Anjou, a late variety with excellent storability is predominantly grown in the western province. Bartletts are shipped from Ontario and British Columbia to Montreal, Toronto, Winnipeg, and Vancouver (Appendix Table 15c).

In 1974, of total production of 31.2 million pounds of fresh market pears, British Columbia growers sold 27.3 million pounds to the wholesale and retail trade and 3.9 million pounds directly to consumers from roadside stands.<sup>(1)</sup> Of the wholesale and retail sales, about 53.0 per cent were Anjous and 47.0 per cent, Bartlett's.

A large proportion of British Columbia pears are sold outside the province. According to unload information, 16.7 million pounds were sold in the Canadian marketing centres - 52.4 per cent, in the western region, 47.0 per cent, in the central region and 0.6 per cent, in the Maritimes. A breakdown of sales by variety and by region is not available. The bulk of the interprovincial movement from British Columbia takes place during the August to April period with more than 60.0 per cent of the shipments taking place in September and October - the peak production months (see Table 4).

Table 4: Pears: Unloads of British Columbia Fresh Market Pears by Month and by Region, 1974

	<u>Maritime Region</u>	<u>Central Region</u>	<u>Western Region<sup>(a)</sup></u>	<u>Canada</u>
	- '000 lb. -			
January	27	380	729	1,136
February	14	628	459	1,101
March	25	28	10	63
April	-	2	-	2
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	751	751
September	-	1,984	3,818	5,802
October	-	2,468	2,002	4,470
November	11	1,152	563	1,726
December	15	1,204	416	1,635
Total	92	7,846	8,748	16,686

(a) Excludes unloads on the Vancouver market.

Source: Agriculture Canada.

Unlike British Columbia, Ontario pears do not enter interprovincial trade to a great extent. According to unload information some 1.1 million pounds are sold in Quebec and little or none, in the Maritimes or the western region. On the other hand, the Ontario industry is much more export oriented; of the 10.1 million pounds of fresh market pears produced in Ontario in 1974, an estimated 3.4 million pounds were exported. Ontario sales appear to take place almost entirely during the August to December period, with more than 80.0 per cent of the shipments in September and October. With production concentrated in Bartlett's, and late varieties for the fresh market accounting for a small proportion of total sales, storage is not an important factor in Ontario.

(1) B.C. Department of Agriculture, 1974 Tree Fruit Production.

### IMPORTS

Imports of fresh pears increased 39.8 per cent from an annual average of 34.5 million pounds in 1966-70 to 48.3 million pounds in 1971-74 (see Appendix Table 7). Of all fresh pears imported in 1971-75, about 86.0 per cent came from the United States. South Africa, New Zealand, and France each accounted for about 3.5 per cent and other countries for the remainder.

California, Washington, and Oregon are the principal U.S. sources of imports of fresh pears into Canada (see Appendix Table 10). In 1974, California supplied 31.0 per cent of the total, Washington, 42.1 per cent and Oregon, 24.0 per cent.

While imports from certain countries are irregular and confined to a few months, those from the United States are year round. Distribution by month and by country of origin in 1974 is shown in Table 5. Imports during the July-November period, are principally from the United States, with small volumes entering from France, Italy, Australia, and Argentina. At other times of the year, the prominence of the United States is somewhat less pronounced.

During 1971-74, approximately 44 per cent of Canadian fresh pear imports entered during the August-October period, or during the period when the domestic crop is harvested. Most of the imports arrived in August and September, the main picking period in California. During November to February, when Canadian pears are marketed from storage, some 23 per cent of all imports took place, mostly from the United States, but also from other countries. The remaining 33.3 per cent was imported during March and July when there were no domestic supplies (see Appendix Table 9).

The central region, consisting of Ontario and Quebec, imported some 75.0 per cent of total Canadian fresh pear imports in 1975. The western region accounted for about 18.7 per cent and the Atlantic region, for the other 6.5 per cent (see Appendix Table 8). While the western region imported mostly from Washington, the Atlantic region imported more than half of its imports from California. Central region imports came from Washington, California, and Oregon, but mainly from Washington. The volume of imports has risen the most for the central region, followed by the western and the Atlantic regions. Percentage-wise, the growth in imports has been greatest for the latter.

### EXPORTS

Exports of fresh pears declined 45.1 per cent from an annual average of 5.1 million pounds in 1966-70 to 2.8 million pounds in 1971-75. Almost all exports have traditionally been to the United States though small quantities have been exported to Trinidad and Tobago, and occasionally to Sweden, Panama, and other countries. In 1966-70, 3.7 million pounds, or 72.3 per cent of total exports, went to the United States. Although the quantity exported to that country declined in 1971-75 to 2.6 million pounds, this was more than 90.0 per cent of the total (see Appendix Table 11). Exports, like domestic shipments, occur mainly in September.

Table 5: Pears: Percentage of Imports by Month and by Country of Origin, 1974

	United States	France	Italy	South Africa	New Zealand	Australia	Argentina	Chile	Others	(a)	Total
					- per cent -						
Jan.	66.0	1.4	32.6	-	-	-	-	-	-	-	100.0
Feb.	66.7	22.1	11.2	-	-	-	-	-	-	-	100.0
Mar.	92.6	2.3	0.5	-	-	-	-	4.7	-	-	100.0
Apr.	56.2	0.3	-	6.4	33.3	-	-	3.8	-	-	100.0
May	83.5	-	-	-	0.8	-	8.7	7.0	-	-	100.0
June	48.5	-	-	-	-	5.2	40.9	5.4	-	-	100.0
July	89.1	-	-	-	-	4.5	6.4	-	-	-	100.0
Aug.	98.3	-	-	-	-	1.5	0.2	-	-	-	100.0
Sept.	100.0	-	-	-	-	-	-	-	*	*	100.0
Oct.	98.9	-	1.1	-	-	-	-	-	*	*	100.0
Nov.	95.5	3.6	0.9	-	-	-	-	-	-	-	100.0
Dec.	75.6	24.3	-	-	-	-	-	-	0.1	0.1	100.0
Total	86.1	2.8	2.4	0.8	4.4	0.5	1.6	1.4	*	*	100.0

(a) Includes Hong Kong, Jamaica, and Trinidad and Tobago.

Source: Derived from Statistics Canada data.

Almost all exports originate in Ontario. The remainder is exported by the British Columbia industry. Ontario growers have a substantial freight advantage over growers in the Pacific Coast states in eastern U.S. markets. Growers in British Columbia have no freight advantages over the main U.S. producers in reaching eastern markets in either country.

### PRICES

Prices at the farm level have increased substantially in the two main producing provinces. This was the case especially in Ontario where the average farm value rose by 87.5 per cent, comparing the average for 1961-65 with that for 1971-74. In British Columbia the average return to the grower appears to have increased much less, by 31.3 per cent. The return for fresh market pears has risen by much more during the period under review than that for processing pears in both provinces, in Ontario by 147.4 per cent and 49.0 per cent respectively to an average of 9.4 cents and 7.3 cents in 1971-74. The average unit farm value of fresh market pears in British Columbia rose by 54.8 per cent, while that for processing pears appears to have declined. As can be seen in Appendix Tables 2 and 3, the return to the grower for fresh market pears exceeds that for processing pears by a wide margin in recent years in both British Columbia and Ontario; during 1971-74, on average by as much as 100 per cent. Note that in 1961-65 the average farm value for the two uses was practically the same. Average farm values for both fresh market pears and processing pears have in recent years been consistently higher in Ontario than in British Columbia. During the sixties the reverse was frequently the case.

Average wholesale-to-retail prices for domestic and imported Bartlett's in Halifax, Montreal, Toronto, Winnipeg, and Vancouver in 1974 are shown in Table 6a and for Anjous in Table 6b. The Bartlett is a fall variety produced in Ontario and British Columbia and the Anjou is a winter pear grown mainly in British Columbia. Both tables show that there were significant variations in wholesale-to-retail prices between domestic and imported pears and regions. In general, Bartlett prices were slightly higher than those for Anjous.

Wholesale-to-retail prices for Bartlett pears were recorded for domestically grown fruit from August to November (see Table 6a); for imported pears some prices were quoted in Toronto and Montreal areas for July and December as well. Prices of domestic and imported Bartlett pears were higher in late summer and early fall, and showed a downward trend as the new Canadian crop became available in August. Prices of domestically grown pears in Halifax, Montreal, Toronto, Winnipeg, and Vancouver in 1974 ranged from 21.4 cents per pound to 29.0 cents per pound, depending on the market area and the month. Prices of imported pears ranged from 21.7 cents per pound to 35.0 cents per pound, and were usually somewhat higher than the domestic product.



Table 6a: Average Wholesale-to-Retail Selling Prices for Domestic and Imported Pears (Bartlett) in Halifax, Montreal, Toronto, Winnipeg, and Vancouver, 1974<sup>(a)</sup>

	Halifax		Montreal		Toronto		Winnipeg		Vancouver	
	Dom.	Imp.	Dom.	Imp.	Dom.	Imp.	Dom.	Imp.	Dom.	Imp.
- ¢ per lb. -										
Jan.	-	-	-	-	-	-	-	-	-	-
Feb.	-	-	-	-	-	-	-	-	-	-
Mar.	-	-	-	-	-	-	-	-	-	-
Apr.	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-
July	-	-	-	35.0	-	33.9	-	-	-	-
Aug.	-	34.7	-	28.1	29.0	30.9	21.7	27.3	21.8	29.3
Sept.	21.6	33.6	25.7	24.4	28.7	27.1	22.2	23.3	22.0	-
Oct.	21.6	29.6	25.1	23.5	24.0	29.0	22.5	-	22.6	-
Nov.	21.6	26.7	22.5	23.8	23.1	30.1	21.4	-	-	-
Dec.	-	-	-	21.7	-	30.4	-	-	-	-

(a) As based on a price per lb. comparison of a 45-lb. carton or box; Montreal and Toronto domestic is also based on four 4-qt. baskets at 22 lb.; Toronto imported includes a 42-lb. carton, and Winnipeg imported includes a 36-lb. case.

Source: Appendix Table 15c.

Wholesale-to-retail price information collected by the Board substantiates that Anjou pears are marketed during the October-April period. Prices of domestically grown Anjous ranged from 19.9 cents per pound to 25.3 cents per pound in 1974, depending on the month and the marketing centre. Prices for Anjous were lower in Vancouver and Winnipeg than in Montreal, Toronto, and Halifax, reflecting in part the higher costs of transportation in reaching those markets from British Columbia. Wholesale-to-retail prices of imported Anjous, ranging from 20.6 cents per pound to 33.9 cents per pound were generally higher than the domestic product when both were available. The sharp increase in the price of the imported product when domestic Anjous are no longer available is particularly noteworthy (Table 6b and Appendix Tables 15a and 15b).

Information based on a Tariff Board survey of the average landed cost of imported Bartlett and Anjou pears into Toronto, Winnipeg, and Vancouver in 1974 can be found in Appendix Table 16a and 16b. This indicates that for both Anjou and Bartlett pears freight, brokerage and other transport costs generally exceed the cost of the duty. In the case of imports from Washington, Oregon, and California into British Columbia such costs are lower and are on occasion less than the cost of the duty. Ontario growers of pears therefore receive more protection from transportation costs with respect to local sales than British Columbia growers. In fact, the latter may not have even that advantage with respect to most sales in British Columbia, since Washington growers are about the same distance from Vancouver as growers in the Okanagan. In relation to interprovincial sales, British Columbia growers have little protection from their competitors south of the border other than the duty.

Table 6b: Average Wholesale-to-Retail Selling Prices for Domestic and Imported Pears (Anjou) in Halifax, (a) Montreal, Toronto, Winnipeg, and Vancouver, 1974

	<u>Halifax</u>		<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>
	- ¢ per lb. -									
Jan.	24.6	27.0	20.8	21.7	20.8	22.2	20.0	-	20.3	-
Feb.	25.3	27.3	20.8	21.9	21.4	21.9	19.9	22.5	20.1	-
Mar.	24.9	26.8	20.6	22.7	23.1	23.4	21.6	22.2	20.7	21.7
Apr.	25.0	28.7	-	23.0	22.8	25.1	-	22.4	-	21.4
May	-	21.8	-	26.1	-	30.4	-	26.0	-	33.4
June	-	-	-	-	-	33.9	-	27.1	-	-
July	-	-	-	-	-	33.9	-	-	-	-
Aug.	-	-	-	-	-	-	-	-	-	-
Sept.	-	-	-	-	21.0	-	-	-	-	-
Oct.	-	28.3	22.7	-	21.5	-	-	-	-	23.1
Nov.	-	26.4	21.4	21.9	22.2	24.2	20.9	20.6	20.7	-
Dec.	25.0	27.1	21.4	21.8	22.0	24.4	20.5	20.6	20.8	-

(a) As based on a price per pound comparison of a 45-lb. carton or box; Montreal and Toronto domestic is also based on four 4-qt. baskets at 22 lb.

Source: Appendix Tables 15a and 15b.

#### CANADA-UNITED STATES COMPARISONS

U.S. pear production averaged 1.4 billion pounds in 1971-74, a volume about 17 times greater than Canada's (see Appendix Table 17a). It increased by 14.1 per cent from the average for 1966-70 which, compared with a 1.3 per cent increase in Canadian output over the same period, suggests that the share of North American production obtained by U.S. growers has expanded to 94.4 per cent during 1971-74 while Canada's share declined to 5.6 per cent. About 45.0 per cent of U.S. production in 1971-74 was in California, 25.9 per cent in Washington, 22.9 per cent in Oregon, 2.3 per cent in New York and 4.2 per cent in other states. Washington, with an average crop of 360 million pounds, in 1971-74 produced 8.6 times as much as British Columbia.

Fresh market pear production in the United States totalled 567 million pounds in 1971-74 or some 40.8 per cent of all pears grown in that country. This volume was more than 13 times greater than the combined output for the fresh market in Ontario and British Columbia. In both countries, production of fresh market pears increased, although the average increase between 1966-70 and 1971-74 was substantially higher in the United States than in Canada - 19.5 per cent compared with 9.5 per cent (see Appendix Table 17b).

The United States processed 821 million pounds or 59.2 per cent of its total pear crop. Canada processed, in comparison, only 37.1 million pounds, less than one-twentieth as much. Moreover, processing is



expanding in the United States while in Canada it is diminishing; comparing 1966-70 with 1971-74 it rose by 10.6 per cent in the one and it dropped by 6.3 per cent in the other.

Average farm values per pound of pears in the United States, compared with those in Ontario and British Columbia, are presented in Table 7. It can be seen that grower returns in both countries have risen. Moreover, fresh market prices in the United States, as in Canada, are higher than grower prices for processing pears, but with a less pronounced difference.

Growers in British Columbia would appear to receive less than the average farm value of U.S. growers for fresh market as well as processing pears. This is largely because Anjous, a larger proportion of the British Columbia crop, have a lower market value than Bartletts. This is substantiated by the wholesale-to-retail prices for the two varieties for both imported and domestic produce in Tables 6a and 6b. This is, even more the case in processing. Processing pears in the United States are more than 90 per cent Bartletts; only a small portion of the Anjou crop is processed in Canada or in the United States. The pattern of year-over-year changes in unit farm values in British Columbia and in the United States (almost entirely in the adjacent states of California, Oregon, and Washington) is however very similar. This is indicative of the great influence of the large production capacity south of the border on the relatively small British Columbia industry. British Columbia growers marketing their crop across Canada are in direct competition with growers from nearby Washington and Oregon, also large producers of Anjous; California grows almost exclusively Bartletts.

Table 7: Pears: Average Farm Values, Fresh and Processing Markets, Ontario, British Columbia and United States, 1971-1974

	Fresh Market			Processing			Total		
	Ont.	B.C.	U.S.A.	Ont.	B.C.	U.S.A.	Ont.	B.C.	U.S.A.
- ¢ per lb. -									
1971	7.1	5.1	5.1	5.4	3.5	4.2	6.0	4.7	4.7
1972	7.0	8.0	8.8	6.4	3.6	5.7	6.9	6.7	6.9
1973	12.5	7.8	8.0	5.9	3.8	6.1	8.0	6.6	6.9
1974	13.9	8.0	9.1	8.4	4.5	8.1	10.1	6.8	8.5
Average									
1971-74	9.4	7.3	7.7	6.5	3.9	6.1	7.5	6.3	6.8

Source: Table 1, Appendix Tables 2 and 3, 17a, 17b, and 17c.

Grower prices for processing in Ontario tend to be somewhat higher than in the United States, but also follow a similar pattern over time. The similarity in year-over-year changes is not surprising, because the dominant factor in North American pear production

is, the United States. The similarity in the level of average unit farm values is explained by the fact that the pears processed in Ontario, as in the United States, are mostly Bartletts. Processors in Canada are governed by the cost of imported processed pears in establishing prices to growers. Average farm values for fresh market pears in Ontario have consistently been higher than those for fresh market pears in the United States, for all pears as well as Bartletts alone. In 1973 and 1974 this difference grew sharply. The higher grower prices in Ontario are due to the protection provided by the tariff and transport costs. The sharp rise in Ontario grower prices in 1973, was a result of the very poor crop as well as the increased cost pressures experienced in that year. These additional costs could not be passed on to Ontario processors because of the large crop of pears in the United States they were, therefore, by means of centralized marketing, reflected in higher fresh market prices. Imports in 1973, of course, rose considerably.

The Board obtained some cost of production data with respect to Bartlett pears in Ontario, British Columbia and the State of Washington. These costs related to the year 1972, and related to a small sample of growers in each growing area only. These data suggest that, at that time, the cost of producing a pound of pears in the three regions was about the same. However, costs have increased more rapidly in Canada than in the United States since that time, and thus Canadian growers are, at present, at some disadvantage with respect to costs. (1)

#### TARIFF CONSIDERATIONS

Fresh pears entering Canada, for fresh market consumption or for processing, are currently dutiable under tariff item 9206-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Pears ..... per pound	Free	Free	Free
		or	or
		1 ct.	1 ct.
		or	or
		10 p.c.	10 p.c.

The Free rate shall apply during the months of March, April, May and June.

During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 22 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.

(1) The more rapid escalation in production costs, especially in labour costs, since 1972 is considered in some detail in Chapter II of Part I, Volume 1.

This item is bound under GATT and has existed in its present form since 1959, except that the 10 p.c. M.F.N. and Gen. rates were temporarily suspended from February 20, 1973, to January 8, 1974. The reductions since 1930 in the rates of duties on pears under the Most-Favoured-Nation and General Tariff are shown in Table 8 which includes only those changes, by Statute, Order-in-Council, or Trade Agreement, which affected applicable rates of duties. In the table, the rates shown are per cent ad valorem or cents per pound; where a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

Table 8: Pears: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free (b)	15 p.c.	20 p.c. (c)
1939, Jan. 1 United States Trade Agreement		10 p.c. (d)	
1948, Jan. 1 GATT		1 ct. (e) (15 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	1 ct. (15 weeks) or 10 p.c.	1 ct. (15 weeks) or 10 p.c.
1959, April 10 Statutory Change	Free	Free (f) or 1 ct. (22 weeks) (g) or 10 p.c. (g)	Free (f) or 1 ct. (22 weeks) (g) or 10 p.c. (g)

(a) Applicable to imports from the United States until Dec. 31, 1935.

(b) Prior to August 3, 1931, pears from Australia were dutiable at a rate of 25 cts. per 100 lb. (Australian Trade Agreement Act, effective October 1, 1925); under a new Australian Trade Agreement, effective August 3, 1931, and the South African Trade Agreement, effective June 30, 1933, free entry was bound for pears from these countries for February, March and April, together with the maintenance of the existing margins of preference during these months.

(c) Not less than  $\frac{3}{4}$  cent, August 1-December 31.

(d) For the period May-January; other months remained at 15 p.c. - see footnote (b).

(e) Not applied until 1950.

(f) Free entry is prescribed for March, April, May, and June.

(g) Temporarily suspended and free entry substituted, by Statute, effective February 20, 1973; suspension revoked and 10 p.c. rate reinstated, by Order-in-Council, effective January 9, 1974.

Source: Canadian Customs Tariff.

Under the current Trade Agreement with Australia, in effect since June 30, 1960, Canada is bound to accord free entry to pears from that country during February, March, and April, and B.P. treatment during the rest of the year. The New Zealand Trade Agreement, in effect since May 24, 1932, stipulated free entry from February to May, and B.P. treatment for the rest of the year. Similarly, free entry is bound under the South African Trade Agreement from February to April. The terms of the New Zealand Trade Agreement, if more favourable, would also apply to South Africa and Australia.

Depending on the type of pear, the application of the seasonal duty on imports, authorized for 22 weeks, has differed from one region to another and from year to year from 1966 to 1975 (see Appendix Table 18). In the central and western regions, which account for more than 96 per cent of total Canadian production, the seasonal specific duty has been applied, except for a few years, for the full 22 weeks from 1966-1973. In 1974 and 1975, the specific duty was not applied in these regions as it offered less than the 10 per cent protection provided by the alternate ad valorem duty. Thus, recourse was made to the 10 per cent rate in the last two years. In the Atlantic region, except for a few years, the specific seasonal duty was not fully utilized. In the central region, the seasonal specific duty has been applied on the average from August 20 to January 23, when imports tend to be high. In the western region, it was applied somewhat earlier - from August 8 to January 10. In the Atlantic region, it varied from year to year. However, in general, it was applied from August 24 to January 20.

Pears are imported into the United States under items 148.81 and 148.82 at the following rates of duty:

		<u>Rates of Duty</u>	
		<u>1</u>	<u>2</u>
Pears, fresh or in brine:			
Item 148.81	If entered during the period from April 1 to June 30, inclusive, in any year ..... per pound	0.25¢	0.5¢
Item 148.82	If entered at any other time .... ..... per pound	0.5¢	0.5¢

As almost all exports of pears from Canada to the United States are from August to March, they are subject to a rate of duty of 0.5 cent per pound.

As shown in Appendix Table 19 the proportion of imports subject to duty has dropped from an annual average of 69.5 per cent in 1966-70 to 63.0 per cent in 1971-75. Furthermore, the ad valorem equivalent of the M.F.N. specific duty declined from an average of 10.2 per cent to 7.7 per cent in the corresponding periods, as the average unit f.o.b. price of dutiable imports rose from an average of

9.8 cents per pound in 1966-70 to 13.0 cents per pound in 1971-75. As can be seen, the protection in ad valorem terms provided by the specific duty, has eroded substantially, in fact to a level less than the 10 p.c. off-season rate.

The Canadian Horticultural Council proposed that the specific duty be raised from 1 cent per pound to  $2\frac{1}{2}$  cents per pound with a 20 per cent ad valorem minimum rate, and that the maximum seasonal duty period be extended to 30 weeks from 22 weeks. The Council also proposed that the off-season duty of 10 per cent be eliminated, and a Free rate be applied whenever the seasonal duty is not in effect. The Canadian Food Processors Association proposed that a new tariff item be created for pears for "manufacture," with an off-season Free rate of duty, a seasonal duty of 10 per cent ad valorem, instead of the existing specific duty, applicable for a maximum of 22 weeks.

Submissions were received from the Australian Apple and Pear Board, the Northwest Horticultural Council (Yakima, Washington), and the California Grape & Tree Fruit League, urging that there be no increase in the duty on pears. The more general representations of the Canadian Importers Association Inc., the National Farmers Union and the Consumers' Association of Canada are also relevant. The Importers Association, in particular, proposed that the temporary tariff reductions introduced in 1973 be made permanent.

The Horticultural Council's proposal to increase the specific and ad valorem rates of duties and to extend the seasonal duty application period is meant to check the erosion in the protection caused by the rise in prices of imported pears and to provide protection for a longer storage season as a result of improved storage techniques and facilities. The Council's proposal would, it is evident, raise the level of protection for pear growers considerably. On the basis of 1974 unit f.o.b. import values it would increase from 6.6 per cent (Appendix Table 19) to 16.5 per cent. The minimum ad valorem rate of 20 per cent proposed by the Council would be in effect when the value for duty of imported pears reaches  $12\frac{1}{2}$  cents per pound. Therefore, inasmuch as the average f.o.b. price of dutiable imports has been near or above that level since 1972, the minimum ad valorem rate would frequently have been the effective rate. The specific duty equivalent of the proposed minimum ad valorem in 1974 would have been 3.04 cents per pound. Inasmuch as the seasonal specific duty was not applied in 1974 and the off-season rate of 10 p.c. was applicable, the proposal of the Council, in effect, constitutes a doubling in the level of protection to 20 p.c.

The proposal to eliminate the off-season duty would reduce the dutiable period by 89 days or roughly by  $12\frac{1}{2}$  weeks. However, if the period of application of the seasonal duty is extended as proposed from 22 weeks to 30 weeks, then the dutiable period would be reduced by 33 days or about  $4\frac{1}{2}$  weeks.

The Board made an estimate of the benefit to growers and cost to consumers of the proposal put forward by the Council.<sup>(1)</sup> On the basis of 1974 production and import volumes it was estimated,

(1) The assumptions and qualifications of this analysis are explained in Chapter I, Volume 1, Part I of the Report on Reference 152.



with respect to fresh market pear consumption, that the proposal would add \$1.41 million to the consumer cost, or about 25 cents per family of four. Grower benefits were estimated at \$633,000. Increased duties would add \$372,000 to government revenues. Similarly, with respect to processing pears, the additional cost to the consumer is estimated at \$887,000 and grower benefit at \$540,000.

The proposed extension of the maximum period for application of the seasonal duty from 22 weeks to 30 weeks, presumably from mid August to the end of March, raises a number of issues. First, it would extend the preferential treatment, relative to imports of fresh pears from other countries; granted to imports of fresh pears from Australia, New Zealand and South Africa accorded under the aforementioned trade agreements. These agreements provide for free entry during the months February, March, April, and May. This provides a margin of preference at present only with respect to February imports, as imports from other countries enter free during the other months as well. The extension of the seasonal period as proposed would provide preferential entry also for March imports. The second question is whether a 30-week period is actually required in terms of the availability of domestic supplies. Unload information indicates that domestic pears do not appear on the market until the third week of August. And while some domestic shipments occur throughout March and April, Appendix Table 5, such shipments comprise less than 4 per cent of total fresh market shipments; moreover, consumers during March are heavily dependent on imports, (Appendix Table 6). A period of 26 weeks, which would permit free entry during March, would evidently, not change the preferential tariff treatment accorded to New Zealand, Australia, and South Africa. Furthermore, these countries, in 1974, took no advantage of the preference in February.

The Canadian Food Processors Association's proposal of a 10 per cent ad valorem seasonal duty for 22 weeks with respect to a separate tariff item for pears imported for manufacture in Canada warrants a separate consideration because of the considerable difference in the price of pears for processing and for fresh market consumption. Prices for processing pears are usually lower than those for the fresh market.

Information on f.o.b. import prices for processing pears is not available separately. However, based on the average difference in farm values per pound of 30 per cent between U.S. fresh market and processing pears during 1971-74, and assuming that the same differential applied to the prices of Canadian imports of pears from that country, the ad valorem equivalent of the specific duty proposed by the Horticultural Council of  $2\frac{1}{2}$  cents per pound would in 1974 have been 23.6 per cent for processing pears compared with 16.5 per cent for fresh market pears. The above considerations argue in favour of a separate tariff for processing pears. Moreover, it appears that imports of processing pears are considerable and are increasing, and that a separate item would assist in a more accurate monitoring of this movement. With respect to the dutiable period for such imports year-round application, with recourse to remission of duties under existing provisions, would appear desirable from the viewpoint of ensuring maximum use of domestic produce at reasonable prices to Canadian growers.

CONCLUSIONS

The consumption of pears in Canada has increased steadily in recent years reaching 144.3 million pounds in 1971-74 - more than 34 per cent higher than in 1961-65. The production of pears has also increased, but much less than the increase in consumption. Thus, the growth in annual consumption of pears has accrued largely to imports, with their share rising from an average of 33.3 per cent during 1961-65 to 44.6 per cent in 1971-74. During the off-season, Canadian consumers are completely dependent on imports. However, imports also take place during the Canadian marketing season; during this period imports have increased their level of market penetration as well, from 29.0 per cent in 1961-65 to 39.9 per cent in 1971-74.

Canadian pear production takes place essentially in two areas, the interior of British Columbia, primarily the Okanagan Valley, and in southern Ontario, mostly the Niagara Peninsula. These two areas account for more than 95 per cent of total domestic pear production. The remainder is grown in Nova Scotia. British Columbia growers produce at present a somewhat greater volume than those in Ontario, a considerable reversal of their relative positions at the beginning of the period under review.

The expanding British Columbia industry disposes a larger proportion of its output on the fresh market than the Ontario industry. The declining industry in Ontario produces mostly for the processing market although this orientation has diminished. The difference in utilization patterns is primarily a reflection of the varieties grown. British Columbia produces a substantial volume, in 1974 close to a third of its total output, of Anjou's which are sold almost entirely on the fresh market. Ontario grows primarily Bartlett's, which, as in British Columbia, are in part processed and in part sold for fresh consumption.

Domestic fresh market sales of Ontario growers are primarily in their own province and in Quebec; less than 10 per cent of total output is exported, mostly to the United States. Like growers in Washington, California, and Oregon, who account for the bulk of U.S. pear production, British Columbia growers market across the nation, as production clearly exceeds local requirements. The British Columbia industry exports little, while U.S. growers export substantial volumes, for processing as well as for the fresh market, to Canada.

The nearness of the large U.S. industry, is the overriding factor for pear producers in British Columbia. It is clear that the returns to growers in that province cannot depart greatly from those received by their competitors south of the border. This factor has taken on even greater significance as costs of production, especially labour costs, already higher, have escalated more rapidly for British Columbia growers than those in the Pacific states. Moreover, the level of protection provided by the existing specific duty has diminished, further increasing the pressure on domestic growers. These factors also have had an adverse impact on the competitive position of Ontario growers. However, unlike their colleagues in British Columbia, the latter are provided with considerable protection in the form of transportation costs from the west coast especially with respect to fresh market sales; British Columbia growers have, in this respect, no advantage over their competitors in the United States.



In view of these considerations the Board concludes that an upward adjustment in the existing rate of protection is warranted. The specific duty of  $2\frac{1}{2}$  cents per pound proposed by the Horticultural Council, as well as the minimum ad valorem rate of 20 per cent, appear, however, to be excessively high from the viewpoint of the cost to Canadian consumers. The Board recommends therefore that fresh pears imported for purposes other than processing be dutiable at a rate of 2 cents per pound, but not less than  $12\frac{1}{2}$  p.c., under the Most-Favoured-Nation and General Tariff. The B.P. rates would be Free. The Board, furthermore, recommends that the existing off-season duty of 10 p.c. be eliminated. The maximum period of application of this seasonal duty is recommended at 26 weeks.

The Board concludes, moreover, that from the viewpoint of the volume of processing pears imported into Canada, and the large volume of processing pears produced, that a separate tariff item be established for this purpose. It recommends a rate of  $1\frac{1}{2}$  cents per pound under the Most-Favoured-Nation and General Tariff with a minimum of  $12\frac{1}{2}$  p.c. The B.P. rate would be Free. This duty would be applicable year round.

#### RECOMMENDATIONS

The Board recommends that the existing tariff schedule in effect respecting pears under tariff item 9206-1 be deleted and that the following schedule be inserted:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Pears, n.o.p. .... per pound	Free	2 cts. but not less than $12\frac{1}{2}$ p.c., or Free	2 cts. but not less than $12\frac{1}{2}$ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 26 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Pears for processing .....			
..... per pound	Free	$1\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c.	$1\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c.

Appendix Table 1

Pears: Number of Trees, Acres and Farms Reporting,  
by Province and Region, 1961 and 1971

	1961		1971		
	No. of Farms Reporting	No. of Trees	No. of Farms Reporting	No. of Trees	No. of Acres
<u>Atlantic Region</u>	959	46,382	406	50,851	658
Nfld.	5	42	-	-	-
P.E.I.	36	451	11	443	6
N.S.	820	44,856	369	50,008	643
N.B.	98	1,033	26	400	9
<u>Central Region</u>	5,906	734,658	3,389	692,993	7,241
Que.	364	4,880	233	6,366	130
Ont.	5,542	729,778	3,156	686,627	7,111
<u>Western Region</u>	3,567	400,979	2,191	349,639	3,579
Man.	36	554	18	1,717	6
Sask.	35	769	40	1,356	15
Alta.	17	326	20	509	8
B.C.	3,479	399,330	2,113	346,057	3,550
Canada <sup>(a)</sup>	10,432	1,182,019	5,986	1,093,483	11,478

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Appendix Table 2

Pears: Fresh Market Production, Farm Value and Farm  
Value per Pound, by Province, 1961-1974

	Average 1961-65 <sup>(a)</sup>	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 <sup>(a)</sup> to 1971-74
- Production '000 lb. -								
Nova Scotia	..	..	..	..	..	..	..	..
Ontario	12,674	13,192	18,322	16,830	6,220	10,144	12,879	+ 1.6
B.C.	24,268	25,411	27,250	25,668	33,420	31,230	29,392	+ 21.1
Canada <sup>(b)</sup>	36,942	38,603	45,572	42,498	39,640	41,374	42,271	+ 14.4
- Farm Value \$'000 -								
Nova Scotia	..	..	..	..	..	..	..	..
Ontario	482	915	1,300	1,338	775	1,412	1,206	+150.2
B.C.	1,200	1,540	1,387	2,063	2,609	2,498	2,139	+ 78.3
Canada <sup>(b)</sup>	1,682	2,455	2,687	3,401	3,384	3,910	3,345	+ 98.9
- Farm Value ¢ per lb. -								
Nova Scotia	..	..	..	..	..	..	..	..
Ontario	3.8	6.9	7.1	8.0	12.5	13.9	9.4	+147.4
B.C.	4.9	6.1	5.1	8.0	7.8	8.0	7.3	+ 49.0
Canada <sup>(b)</sup>	4.6	6.4	5.9	8.0	8.5	9.5	7.9	+ 71.7

(a) Four-year average excluding 1961.

(b) Excluding Nova Scotia.

Source: Statistics Canada.

Appendix Table 3

Pears: Processing Market Production, Farm Value and  
Farm Value per Pound, by Province, 1961-1974

	Average 1961-65 <sup>(a)</sup>	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 <sup>(a)</sup> to 1971-74
- Production '000 lb. -								
Nova Scotia	..	..	..	..	..	..	..	..
Ontario	34,691	30,376	32,478	29,920	13,410	22,986	24,699	- 28.8
B.C.	6,740	9,255	9,358	10,972	13,764	15,620	12,429	+ 84.4
Canada <sup>(b)</sup>	41,431	39,631	41,836	40,892	27,174	38,606	37,128	- 10.4
- Farm Value \$'000 -								
Nova Scotia	..	..	..	..	..	..	..	..
Ontario	1,465	1,481	1,761	1,910	790	1,935	1,599	+ 9.1
B.C.	278	476	329	395	518	704	487	+ 75.2
Canada <sup>(b)</sup>	1,743	1,957	2,090	2,305	1,308	2,639	2,086	+ 19.7
- Farm Value ¢ per lb. -								
Nova Scotia	..	..	..	..	..	..	..	..
Ontario	4.2	4.9	5.4	6.4	5.9	8.4	6.5	+ 54.8
B.C.	4.1	5.1	3.5	3.6	3.8	4.5	3.9	- 4.9
Canada <sup>(b)</sup>	4.2	4.9	5.0	5.6	4.8	6.8	5.6	+ 33.3

(a) Four-year average excluding 1961.

(b) Excluding Nova Scotia.

Source: Statistics Canada.

Pears: Supply and Disposition Ratios, Canada, Crop Years, 1961-65 to 1974-75

	Average 1961-65	Average 1966-70	1971-72	1972-73	1973-74	1974-75	Average 1971-74
	- per cent -						
Per Cent of Domestic Production:							
Sold for Processing	43.5	47.3	52.1	53.3	40.3	43.2	47.7
Sold to Domestic Fresh Market	46.7	45.2	44.6	43.7	58.5	52.3	49.2
Exported	9.8	7.5	3.3	3.0	1.2	4.5	3.1
Total Imports as Per Cent:							
of Total Supply Available	31.1	35.7	38.9	40.0	52.1	45.6	44.1
of Total Domestic Disappearance	33.4	37.9	39.7	41.6	52.5	46.8	45.2
Fresh Market Imports as Per Cent:							
of Fresh Market Availability	36.6	41.7	49.2	49.9	55.9	48.4	50.9
of Fresh Exports	476.3	572.0	1,419.0	1,579.6	7,439.5	1,198.2	1,803.3
of Fresh Market Consumption	39.7	45.8	51.1	53.6	56.3	50.6	53.0
Processed Imports as Per Cent:							
of Consumption in Processed Form	25.0	28.4	24.7	27.6	45.4	41.3	34.1
of Total Domestic Disappearance	10.7	12.8	10.7	12.7	16.1	17.0	14.1
Per Cent of Fresh Market Consumption:							
From Domestic Production	60.4	56.1	49.1	50.5	43.7	49.6	48.1
From Imports	39.6	43.9	50.9	49.5	56.3	50.4	51.9
Per Cent of Total Domestic Disappearance:							
Consumed in Processed Form	42.9	45.1	43.2	45.9	35.4	41.1	41.4
Consumed in Fresh Form	57.1	54.9	56.8	54.1	64.6	58.9	58.6
Net Imports (a) as % of Total Domestic Disappearance	26.1	31.8	37.5	37.6	51.8	44.1	42.8
Production as % of Total Domestic Disappearance	73.9	68.2	62.5	62.4	48.2	55.9	57.2

(a) Total imports minus total exports and re-exports.

Source: Table 2.

Appendix Table 4

Appendix Table 5

Pears: Estimated Monthly Distribution of Fresh Shipments<sup>(a)</sup>,  
Crop Years, 1966-70 to 1974-75

	Average 1966-70	Average 1971-74	1971-72	1972-73	1973-74	1974-75
	- thousand pounds -					
July	-	-	-	*	-	-
Aug.	4,785	3,218	1,497	3,269	5,962	2,145
Sept.	14,723	15,842	19,778	16,726	12,126	14,740
Oct.	8,281	9,011	8,211	9,161	7,665	11,007
Nov.	4,233	4,568	3,559	5,626	5,394	3,693
Dec.	2,208	3,101	3,559	1,787	3,691	3,365
Jan.	1,105	2,344	1,618	1,140	2,880	3,740
Feb.	1,178	1,891	1,132	266	2,920	3,491
Mar.	294	475	647	38	162	1,051
Apr.	-	222	445	*	*	442
May	-	2	-	-	-	10
June	-	-	-	-	-	-
	36,807	40,674	40,446	38,013	40,556	43,684

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 6

Pears: Estimated Monthly Distribution of Fresh Market  
Consumption, Crop Years, 1961-65 to 1971-74

	Average 1961-65	Average 1966-70	Average 1971-74			
	Imports as % of Con- sumption	Imports as % of Con- sumption	From Domestic Produc- tion	From Imports	Total Consump- tion	Imports as % of Con- sumption
	- per cent	-	- thousand pounds	-	-	per cent
July	100.0	100.0	*	3,253 <sup>(a)</sup>	3,253	100.0
Aug.	40.5	57.6	3,218	9,056	12,274	73.8
Sept.	15.5	17.5	15,842	4,264	20,106	21.2
Oct.	25.6	19.7	9,011	3,781	12,792	29.6
Nov.	30.0	23.0	4,568	2,506	7,074	35.4
Dec.	44.2	29.5	3,101	2,374	5,475	43.4
Jan.	49.2	43.9	2,344	1,803	4,147	43.5
Feb.	60.7	51.8	1,891	2,726 <sup>(a)</sup>	4,617	59.0
Mar.	97.8	93.0	475	5,495	5,970	92.0
Apr.	100.0	100.0	222	5,716	5,938	96.3
May	100.0	100.0	2	2,154	2,156	99.9
June	100.0	100.0	-	835	835	100.0
Total	39.6	43.9	40,674	43,963	84,637	51.9

(a) Discrepancy caused by imports recording procedure.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 7

Pears: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>New Zealand</u>	<u>South Africa</u>	<u>France</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -					
1966	33,019	635	1,957	-	431	36,043
1967	15,547	617	2,031	-	332	18,526
1968	25,132	500	2,925	-	1,049	29,607
1969	46,558	751	4,124	56	2,205	53,694
1970	29,159	984	1,457	621	2,500	34,721
Average 1966-70	29,883	697	2,499	135	1,303	34,518
1971	28,793	1,088	2,217	1,269	3,031	36,398
1972	36,218	1,721	5,503	2,183	1,443	47,069
1973	53,790	2,119	-	2,189	857	58,955
1974	40,127	2,024	388	1,305	2,755	46,598
1975	47,617	2,238	-	748	1,722	52,325
Average 1971-75	41,309	1,838	1,622	1,539	1,962	48,269

Source: Statistics Canada.

Appendix Table 8

Pears: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	953	1,253	6,176	3,341	3,423	3,399
Nfld.	30	79	36	43	29	3
P.E.I.	42	78	74	63	59	72
N.S.	385	322	502	1,793	2,500	603
N.B.	496	774	5,564	1,442	835	2,721
Central Region	27,099	29,151	32,484	45,815	36,047	39,117
Que.	16,320	17,809	18,686	19,606	15,879	19,347
Ont.	10,779	11,342	13,798	26,209	20,168	19,770
Western Region	6,466	5,995	8,410	9,799	7,128	9,808
Man.	658	552	1,269	1,383	930	1,023
Sask.	408	478	1,069	1,005	670	742
Alta.	1,016	1,158	1,957	1,541	1,302	1,421
B.C.	4,384	3,807	4,115	5,870	4,226	6,622
Canada	34,518	36,398	47,069	58,955	46,598	52,325

Source: Statistics Canada.



Appendix Table 9

Pears: Imports by Month, Crop Years, 1966-70 to 1974-75

	Average 1966-70	%	Average 1971-74	%	1971-72	1972-73	1973-74	1974-75
- thousand pounds -								
July	1,750	4.9	1,202	2.5	231	1,831	1,910	834
Aug.	6,468	18.3	10,012	20.5	7,373	10,698	11,890	10,087
Sept.	6,316	17.9	7,484	15.3	4,240	5,082	11,883	8,732
Oct.	3,503	9.9	4,075	8.3	2,897	1,492	8,955	2,958
Nov.	2,039	5.8	3,274	6.7	3,385	2,403	3,998	3,310
Dec.	1,561	4.4	2,624	5.4	1,965	2,732	3,894	1,907
Jan.	1,169	3.3	2,392	4.9	2,815	2,449	2,261	2,041
Feb.	1,674	4.7	2,780	5.7	3,819	2,229	2,623	2,450
Mar.	3,248	9.2	4,944	10.1	5,917	5,185	4,366	4,307
Apr.	3,420	9.7	5,310	10.8	3,590	5,234	6,017	6,398
May	2,769	7.8	2,595	5.3	1,045	1,023	2,412	5,898
June	1,445	4.1	2,214	4.5	5,646	306	1,092	1,813
Total	35,363	100.0	48,905	100.0	42,922	40,663	61,300	50,733

Source: Statistics Canada.

Appendix Table 10

Pears: Percentage Distribution of Fresh Market Imports from United States, by State of Origin, by Region, 1972-1974

	California	Oregon	Washington	Others	Total
- per cent -					
<u>1972</u>					
Atlantic Region	46.3	17.0	36.3	0.4	100.0
Central Region	36.3	35.6	25.6	2.5	100.0
Western Region	37.7	10.0	52.3	-	100.0
Canada	36.8	29.4	31.9	1.9	100.0
<u>1973</u>					
Atlantic Region	52.4	20.3	27.3	-	100.0
Central Region	41.3	29.4	26.7	2.6	100.0
Western Region	32.3	5.1	62.2	0.4	100.0
Canada	39.7	24.3	33.8	2.2	100.0
<u>1974</u>					
Atlantic Region	48.0	11.8	40.2	-	100.0
Central Region	30.2	29.7	36.4	3.7	100.0
Western Region	32.8	3.9	63.3	-	100.0
Canada	31.0	24.0	42.1	2.9	100.0

Source: Agriculture Canada.

Pears: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>Trinidad Tobago</u>	<u>Sweden</u>	<u>Panama</u>	<u>Others</u>	<u>Total</u>
- thousand pounds -						
1966	3,773	20	641	15	327	4,776
1967	6,914	71	816	29	2,174	10,004
1968	2,338	61	1,169	-	755	4,322
1969	1,730	43	113	-	229	2,115
1970	3,829	49	326	-	290	4,494
Average 1966-70	3,717	49	613	9	755	5,142
1971	2,993	9	341	-	82	3,425
1972	2,447	67	-	90	38	2,642
1973	242	26	-	113	218	599
1974	3,535	9	-	-	49	3,594
1975	3,696	-	-	115	53	3,864
Average 1971-75	2,583	22	68	64	88	2,825

Source: Statistics Canada.

Pears: Exports by Month, Crop Years,  
1966-70 to 1974-75

	<u>Average 1966-70</u>	<u>%</u>	<u>Average 1971-75</u>	<u>%</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
- thousand pounds -								
July	1	*	-	-	-	-	-	-
Aug.	78	1.5	24	1.0	1	1	93	-
Sept.	2,636	50.2	1,996	80.3	2,623	1,948	73	3,342
Oct.	842	16.0	167	6.7	167	362	134	3
Nov.	761	14.5	133	5.4	60	219	203	50
Dec.	495	9.4	61	2.4	32	25	94	93
Jan.	310	5.9	39	1.5	-	*	16	138
Feb.	113	2.2	27	1.1	*	1	16	88
Mar.	13	0.3	19	0.8	4	-	71	-
Apr.	-	-	21	0.8	82	1	1	-
May	*	*	*	*	-	-	1	-
June	1	*	*	*	-	-	*	*
Total	5,251	100.0	2,486	100.0	2,968	2,558	703	3,714

Source: Statistics Canada.

Pears: Exports by Province and Region, 1972-1975

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -			
Atlantic Region	87	9	4	*
N.S.	5	9	4	*
N.B.	82	-	-	-
Central Region	2,162	225	3,403	3,525
Que.	-	2	67	-
Ont.	2,162	223	3,336	3,525
Western Region	394	364	186	338
Man.	-	5	-	-
Sask.	-	-	14	153
Alta.	-	-	2	-
B.C.	394	359	170	186
Canada	2,642	599	3,594	3,864

---

Source: Statistics Canada.

Appendix Table 14

Pears: Monthly Storage Holdings, on 1st of the Month, 1971-72 to 1974-75

	Maritime Region	Quebec	Ontario	Central Region	Prairies	British Columbia	Western Region	Canada
- thousand pounds -								
<u>1971-72</u>								
Nov.	151	361	6,784	7,145	197	11,614	11,811	19,107
Dec.	3	769	5,066	5,835	251	6,242	6,493	12,331
Jan.	7	1,217	500	1,717	316	2,403	2,719	4,443
Feb.	8	788	360	1,148	156	558	714	1,870
Mar.	8	1,012	335	1,347	221	280	501	1,856
Apr.	4	1,335	503	1,838	242	507	749	2,591
May	5	1,864	1,065	2,929	145	84	229	3,164
<u>1972-73</u>								
Nov.	5	367	11,849	12,216	270	6,134	6,404	18,625
Dec.	2	1,129	7,202	8,331	358	2,574	2,932	11,265
Jan.	13	1,282	1,392	2,674	332	1,245	1,577	4,264
Feb.	3	957	897	1,854	283	405	688	2,545
Mar.	4	703	361	1,064	201	188	389	1,457
Apr.	4	1,101	1,049	2,150	337	157	494	2,648
May	5	834	1,083	1,917	144	72	216	2,138
<u>1973-74</u>								
Nov.	15	37	9,634	9,671	336	7,143	7,479	17,165
Dec.	23	23	2,499	2,522	394	5,878	6,272	8,817
Jan.	6	1,184	1,086	2,270	303	3,531	3,834	6,110
Feb.	8	723	883	1,606	277	785	1,062	2,676
Mar.	10	693	507	1,200	265	254	519	1,729
Apr.	6	588	402	990	301	87	388	1,384
May	10	584	1,391	1,975	238	166	404	2,389

Appendix Table 14 (concl.)

Pears: Monthly Storage Holdings, on 1st of the Month, 1971-72 to 1974-75

	<u>Maritime Region</u>	<u>Quebec</u>	<u>Ontario</u>	<u>Central Region</u>	<u>Prairies</u>	<u>British Columbia</u>	<u>Western Region</u>	<u>Canada</u>
					- thousand pounds -			
<u>1974-75</u>								
Nov.	1,068	177	8,885	9,062	304	22,726	23,030	33,160
Dec.	10	208	3,628	3,836	227	8,507	8,734	12,580
Jan.	13	181	515	696	167	6,390	6,557	7,266
Feb.	7	150	625	775	244	2,053	2,297	3,079
Mar.	5	201	700	901	270	758	1,028	1,934
Apr.	6	255	498	753	307	406	713	1,472
May	8	420	1,225	1,645	259	65	324	1,977
<u>Average 1971-74</u>								
Nov.	310	236	9,288	9,524	277	11,904	12,181	22,014
Dec.	10	532	4,599	5,131	308	5,800	6,108	11,248
Jan.	10	966	873	1,839	280	3,392	3,672	5,521
Feb.	7	655	691	1,346	240	950	1,190	2,543
Mar.	7	652	476	1,128	239	370	609	1,744
Apr.	5	820	613	1,433	297	289	586	2,024
May	7	926	1,191	2,117	197	97	293	2,417

Source: Agriculture Canada.

Pears (d'Anjou): Weekly Wholesale to Retail Prices at Halifax, Montreal and Toronto, 1974

Week Ending	Halifax			Montreal			Toronto		
	Wash./Oreg.		B.C.	Oreg.	Wash.	B.C.	Oreg.	B.C.	Ont.
	Medium	Small	Small	90/135	135's	100/135	# 1	F	4x4qt. #1
	F	F	F	#1	F	F	F	45 pounds	(22 lbs.)
	carton 45 (pounds)								
	- cents per pound -								
Jan.	4	25.6 (a)	24.4	22.5	21.1	20.6	22.5	20.3	21.9
	11	25.6 (a)		22.5	21.1	20.8	22.5	20.3	21.9
	18	25.6 (a)	23.9	22.5	21.1	20.8	21.9	19.7	21.7
	25	30.0 (a)	28.4 (a)	22.5	20.6	20.8	21.9	19.2	21.4
Feb.	1	30.0	27.8	21.7	20.6	20.8	21.9	19.2	21.4
	8	26.1	24.2	22.5	22.5	20.8	21.9	19.2	21.9
	15	26.1	24.2	22.5	21.9	20.8	21.9		22.5
	22	30.9	28.9	21.9	21.9	20.8	21.9		23.9
Mar.	1	31.6	28.9	22.5	22.5	20.6	21.9		23.1
	8	24.4	24.0	22.5	22.5		23.9		23.9
	15	27.8	25.3	23.1	22.5		23.9		22.8
	22	27.8	25.3	23.1	22.5		23.9		22.8
Apr.	29	27.8	25.3	23.1	22.8		23.2		22.8
	5	30.2	25.3	22.5	22.5		25.0		22.8
	12	30.2	25.3	22.5	22.5		24.7	22.8	
	19	30.4	28.9	23.9	23.9		24.7		
May	26	30.4	28.9	23.9	23.9		26.1		
	3	31.6	30.0	26.1	26.1		26.1		
	10	33.3	28.9		23.9		28.3		
	17	38.9	33.9		23.9		30.6		
June	24						33.3		
	31						33.9		
	7						33.9		
	14						33.9		
	21						33.9		
	28						33.9		

Appendix Table 15a (concl.)

## Pears (d'Anjou): Weekly Wholesale to Retail Prices at Halifax, Montreal and Toronto, 1974

Week Ending	Halifax			Montreal			Toronto		
	Wash./Oreg. Medium	Small	B.C. Small	Oreg. 90/135	Wash. 135's	B.C. 100/135	Oreg. #1	B.C.	Ont.
	F	F	F	#1	F	F	F	F	4x4qt. #1
	carton 45 (pounds)							45 pounds	(22 lbs.)
July									
5							33.9		
12							33.9		
19							33.9		
Sept. 27							-		21.0
Oct. 4							22.2		21.0
11							23.9		
18									
25									
Nov. 1	28.3 (b)					21.9		21.9	
8	26.7 (b)			21.9		21.4	24.4	21.9	
15	26.7 (b)			22.2		21.4	24.4	21.9	
22	26.7 (c)			21.7		21.4	24.1	20.3	
29	28.3 (c)	24.4 (c)					23.8	20.3	23.9
	28.3 (c)	24.4 (c)					24.4	21.4	23.9
	28.3 (c)	24.4 (c)					24.4	21.4	23.3
Dec. 6	29.4 (c)	26.1 (c)			21.7	21.4	24.4	21.4	
13	27.2 (c)	25.0 (c)	25.0		21.1	21.4	24.4	21.4	
20	27.8 (c)	26.7 (c)	25.0		22.2	21.4	24.4	21.4	
27	27.8 (c)	26.7 (c)	25.0		22.2	20.6	24.4	21.4	
						21.7	24.4	21.4	22.5

- cents per pound -

(a) Washington only.

(b) Washington/California.

(c) California only.

Source: Agriculture Canada.



Pears (d'Anjou): Weekly Wholesale to Retail Prices at  
Winnipeg and Vancouver, 1974

Week Ending	Oreg./Wash.		B.C.		Wash.		Oreg.	B.C.	
	med. F	XF	med.F		F+	XF	XF	XF	F
	- 45 pounds -						- 45 pounds -		
	- cents per pound -								
Jan. 4			20.4					20.8	19.4
11			20.6					22.0	19.2
18			19.4					21.7	19.2
25			19.6					20.8	19.2
Feb. 1			19.9					20.8	19.2
8		20.0	18.7					20.8	19.2
15	22.5	20.8	18.6					20.8	19.2
22	22.5	21.3						20.8	
Mar. 1	23.1	21.3						20.8	
8	22.2	20.6			21.9			20.6	
15	21.9	22.1			21.9			20.6	
22	21.9	22.1			21.9				
29	21.7	22.1			21.4		21.4		
Apr. 5	21.3				21.1		21.1		
12	21.7				21.4		21.4		
19	23.1				21.4		21.4		
26	23.3				21.7		21.7		
May 3	24.4				23.4				
10	25.6(a)				33.3				
17	26.2(a)				36.7				
24	26.3(a)				36.7				
31	27.5(a)				36.7				
June 7	27.1(a)								
Oct. 18					23.1				
25					23.1				
Nov. 1			20.6		23.1				20.7
8	20.7(a)		21.3		20.0				20.7
15	20.6(a)		20.5						20.7
22	20.6(a)		20.5						20.7
29	20.6(a)		20.5						20.8
Dec. 6	20.6(a)		20.5						20.8
13	20.6(a)		20.5						20.8
20	20.6(a)		20.5						20.8
27	20.6(a)		20.5						20.8

(a) Washington only.

Source: Agriculture Canada.

Pears (Bartlett): Weekly Wholesale to Retail Prices at Halifax, Montreal,  
Winnipeg and Vancouver, 1974

Week Ending	Halifax			Montreal			Toronto			
	Calif.	N.S.		Calif.	Wash.	Ont.	B.C.	Calif.	Wash.	B.C.
	box, 5 sml. (45 lb.)	4x4 qt. (22 lb.)		-box (45 lb.)-		4x4 qt. (22 lb.)	ctn. lge. (45 lb.)	box (45 lb.)	ctn. (42 lb.)	ert. (45 lb.)
										4x4 qt. (22 lb.)
- cents per pound -										
July 26				35.0				33.9		
Aug. 2				30.3				33.9		
9	35.6			28.9				31.7		
16	34.4			28.9						
23	34.4			29.4				31.7		
30	34.4			27.1	23.9					
Sept. 6	34.4			25.0	24.4			29.7	(b)	29.0
13	33.3			25.6	25.6	27.8		29.7	27.4 (b)	29.0
20	33.3			23.9	23.9	28.4	23.9	21.9	29.4 (b)	23.3
27	33.3	21.6		23.3	23.3	28.4	22.8	30.3	26.8	23.6
Oct. 4	33.9	21.6		23.9	23.8	28.4	22.5	30.3	26.8	23.6
11	26.7	21.6		23.9	23.9	28.4	22.5	30.3	28.0	23.1
18	29.4 (a)	21.6		22.8	22.8	26.7	22.8	30.3	28.0	23.1
25	28.3 (a)	21.6		22.5	22.5	26.7	22.5		(b)	23.1
Nov. 1	26.7 (a)	21.6		22.5	22.5		22.5		30.2 (c)	23.1
8	26.7 (a)			22.5	22.5		22.5		29.8 (c)	
15				22.5	22.5		22.5		29.8 (a)	
22				22.5	22.5		22.5		30.4 (a)	
29				27.2	27.2				30.4 (a)	
Dec. 6				21.7	21.7				30.4	

Pears (Bartlett): Weekly Wholesale to Retail Prices at Halifax, Montreal  
Winnipeg and Vancouver, 1974

Week Ending	Winnipeg			Vancouver		
	Calif. case (36 lb.)	Wash. ctn. (45 lb.)	B.C. ctn. med. F(45 lb.)	Calif.	Wash.	B.C. F (45 lb.)
July 26						
Aug. 2						
9						
16	28.8	24.2		33.9		
23	28.7			33.9	26.4	21.4
30	27.5			30.5(c)	25.8	22.1
Sept. 6		23.3	21.7	25.0		22.1
13		23.3	21.8			21.2
20			22.6			21.8
27			22.6			22.9
Oct. 4			22.6			22.9
11			22.1			22.9
18			22.1			22.9
25			23.2			21.9
Nov. 1			21.4			

(a) Prices for California and Washington.  
(b) Prices quoted for carton of 36 pounds.  
(c) Prices quoted for boxes of 36 pounds.

Source: Agriculture Canada.

Imported United States Pears: Total Landed Cost; Cost f.o.b., Freight, Brokerage  
and Other Costs; Cost of Duty; Toronto; Selected  
Data by Month, 1972-1974

Month of Shipment	1972				1973				1974						
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost

(a) Bartlett.

(b) Anjou.

(c) Variety not specified.

Source: Tariff Board survey.

Imported United States Pears: Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Winnipeg and Vancouver; Selected Data by Month, 1974

Month of Shipment	Winnipeg					Vancouver				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
						- cents per pound -				
May	-	-	-	-	-	(a) Wash.	16.1	1.1	-	17.2
	-	-	-	-	-	(c) "	25.6	1.1	-	26.6
	-	-	-	-	-	(c) "	24.4	1.0	-	25.5
	-	-	-	-	-	(c) "	26.7	1.2	-	27.8
July	Calif. (a)	31.0	4.7	3.1	38.8	Calif. (c)	23.1	3.1	2.3	28.5
	" (a)	28.2	4.7	2.8	35.8	" (c)	25.8	3.1	2.6	31.5
	" (a)	18.5	3.8	1.9	24.2	" (a)	25.7	3.2	2.6	31.4
	" (a)	18.5	4.4	1.9	24.7	" (a)	28.2	3.0	2.8	34.0
August	Calif. (a)	18.5	4.3	1.9	24.6	(a) Wash.	15.6	1.1	1.6	18.2
	" (a)	18.1	4.4	1.8	24.3	-	-	-	-	-
	" (a)	18.8	4.1	1.9	24.8	-	-	-	-	-
	Wash. (a)	19.4	3.3	1.9	24.7	-	-	-	-	-
September	(a) Wash.	17.4	3.5	1.7	22.6	-	-	-	-	-
	" (a)	17.4	3.5	1.7	22.6	-	-	-	-	-
October	(b) Wash.	16.7	3.4	1.7	21.8	(c) Wash.	13.3	1.4	1.3	16.0
	-	-	-	-	-	(c) Calif.	16.7	1.4	1.7	19.8

- (a) Bartlett.  
 (b) Anjou.  
 (c) Variety not specified.

Source: Tariff Board survey.

Pears: Production,<sup>(a)</sup> Value and Value per Pound,  
United States, by States, 1966-1974

	<u>Average</u> <u>1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
- Production '000 lb. -						
California		618,000	591,200	654,600	621,800	621,400
New York		36,000	37,000	25,200	28,000	31,550
Oregon		358,000	220,000	342,000	350,000	317,500
Washington		330,800	306,000	374,600	426,600	359,500
Other States		<u>71,040</u>	<u>62,460</u>	<u>50,880</u>	<u>47,880</u>	<u>58,065</u>
Total	1,216,690	1,413,840	1,216,660	1,447,280	1,474,280	1,388,015
- Value \$'000 -						
California		29,397	38,514	43,152	56,830	41,973
New York		2,034	2,239	2,092	2,646	2,253
Oregon		16,528	16,488	23,829	27,010	20,964
Washington		15,468	23,436	26,765	33,583	24,813
Other States		<u>3,341</u>	<u>3,680</u>	<u>3,801</u>	<u>4,638</u>	<u>3,865</u>
Total	72,918	66,768	84,357	99,639	124,707	93,868
- Value ¢ per lb. -						
California		4.8	6.5	6.6	9.1	6.8
New York		5.7	6.1	8.3	9.5	7.1
Oregon		4.6	7.5	7.0	7.7	6.6
Washington		4.7	7.7	7.1	7.9	6.9
Other States		4.7	5.9	7.5	9.7	6.7
Total	6.0	4.7	6.9	6.9	8.5	6.8

(a) Less quantities not utilized and excess cullage of harvested fruit.

Source: U.S. Department of Agriculture.

Appendix Table 17b

Pears<sup>(a)</sup>: Fresh Market Production, Farm Value and Farm Value per Pound, United States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- Production '000 lb. -					
Total	474,052	568,974	501,370	610,260	585,680	566,571
	- Value ¢ per lb. -					
Total	..	5.1	8.8	8.0	9.1	7.7

(a) Data not available by State due to confidentiality.

Source: U.S. Department of Agriculture.

Appendix Table 17c

Pears<sup>(a)</sup>: Processing Market Production, Farm Value and Farm Value per Pound, United States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- Production '000 lb. -					
Total	742,638	844,866	715,290	837,020	888,600	821,444
	- Value ¢ per lb. <sup>(b)</sup> -					
Total	..	4.2	5.7	6.1	8.1	6.0

(a) Data not available by State due to confidentiality.

(b) Actual value of processing market production is not available.

Source: U.S. Department of Agriculture.



Pears: Dates of Application and Removal of the Seasonal,  
Specific Duty, by Tariff Region, 1966-1975

Year (a)	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	Aug. 26	Jan. 23	150	Aug. 9	Jan. 10	154
1967	-	-	-	Aug. 11	Jan. 12	154	Aug. 15	Jan. 16	154
1968	-	-	-	Aug. 15	Jan. 16	154	Aug. 9	Jan. 10	154
1969	-	-	-	Aug. 21	Jan. 22	154	Aug. 8	Dec. 31	145
1970	Sept. 10	Jan. 15	127	Aug. 27	Jan. 15	141	Aug. 6	Dec. 31	147
1971	Aug. 27	Jan. 15	141	Sept. 2	Jan. 15	135	Aug. 6	Jan. 5	152
1972	Aug. 18	Jan. 19	154	Sept. 1	Feb. 2	154	Aug. 10	Jan. 11	154
1973	Aug. 24	Jan. 25	154	Aug. 21	Jan. 22	154	Aug. 8	Jan. 9	154
1974	Sept. 13	Dec. 31	109	-	-	-	-	-	-
1975	Aug. 29	Jan. 22	146	-	-	-	-	-	-

(a) Government fiscal year commencing April 1st; ending March 31st of following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Pears: Dutiable Imports and the Ad Valorem Equivalent of  
the M.F.N. Specific Duty, 1966-1975

	Total '000 lb.	Non- Dutiable '000 lb.	%	Dutiable '000 lb.	%	Price f.o.b. Dutiable ¢/lb.	M.F.N. Specific Duty ¢/lb.	Ad Valorem Equivalent of M.F.N. Specific Duty %
1966	36,043	8,970	24.9	27,073	75.1	8.4	1.0	11.9
1967	18,526	9,320	50.3	9,207	49.7	11.1	1.0	9.0
1968	29,607	10,129	34.2	19,478	65.8	11.6	1.0	8.6
1969	53,694	12,039	22.4	41,655	77.6	9.0	1.0	11.1
1970	34,721	12,107	34.9	22,615	65.1	10.9	1.0	9.2
Average 1966-70	34,518	10,513	30.5	24,006	69.5	9.8	1.0	10.2
1971	36,398	13,733	37.7	22,665	62.3	9.9	1.0	10.1
1972	47,069	15,873	33.7	31,196	66.3	12.5	1.0	8.0
1973	58,955	27,145	46.0	31,810	54.0	12.3	1.0	8.1
1974	46,598	13,883	29.8	32,715	70.2	15.2	1.0	6.6
1975	52,323	18,615	35.6	33,710	64.4	13.9	1.0	7.2
Average 1971-75	48,269	17,850	37.0	30,419	63.0	13.0	1.0	7.7

Source: Statistics Canada.

PLUMS AND PRUNE PLUMS

Table of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	318
Acreage, Production and Farm Value .....	319
Supply and Disposition .....	321
Imports .....	325
Exports .....	326
Prices .....	326
Canada-United States Comparisons .....	327
Tariff Considerations .....	329
Conclusions .....	333
Recommendations .....	334
Appendix Tables .....	335



### PLUMS AND PRUNE PLUMS

The plum is a fleshy, drupaceous fruit (flesh surrounding a hard pit in which there is a seed) of the Rosaceae, or rose family. It is of the genus Prunus which includes other stone fruits such as apricots, cherries and peaches. The genus includes about 200 species of orchard, ornamental and deciduous and evergreen trees and bushes. Wild and cultivated forms are found throughout the North Temperate Zone, especially in America and eastern Asia.

Originally, the terms "plum" and "prune" were synonymous for the fruit of hundreds of varieties comprising some 15 different species. A distinction in meaning evolved with "prune" being used to designate a variety that can be and is normally dried without removal of the pit. The term "plum" refers to varieties grown primarily for uses other than drying, such as fresh consumption and, to a limited extent, canning, freezing, crushing and jam- and jelly-making. Most "plum" varieties ferment when dried without removing the pit.

This popular definition of "prunes" and "plums" is well suited to the situation in California which has more than 90 per cent of U.S. production. There most prunes are dried and any grower selling prunes for fresh consumption is called a plum grower. To complicate matters further, and as an exception to the general rule, a small quantity of fresh market prunes is grown in Michigan, Idaho, Oregon, and Washington. The industry in these states has promoted the use of "purple plums" as a more appropriate designation than fresh prunes.

In Canada, more than two-thirds of all prunes are sold to the fresh market. These are called prune plums and compare with U.S. purple plums and prunes grown in California. Canadian prune plums compete with purple plums for the fresh and processing markets in Canada.

Botanically, prunes are a subspecies of plum. The two most important plum species commercially grown in Canada are P. domestica (European plum) and P. salicina (Japanese plum). The P. domestica species is divided into subgroups: Prune, Green Gage, Lombard, Damson and others. The Prune varieties grown in Canada are Stanley, Italian and German. The fruits of these varieties tend to be purple to black and are mostly oblong or oval.

Although the Green Gage, Lombard and Damson are more suitable for processing, in Canada they are sold almost entirely on the fresh market. (Plums of the species P. salicina are preferred for fresh consumption.) Green Gage varieties are globular, green-yellow, sweet, tender and juicy. Lombard varieties have small red-coloured fruits that are not large or attractive enough for the fresh market but make a good canning product. Fruits of the Damson varieties are small, round and often grow in clusters. They are quite tart so they are especially suitable for preserves and jams.

The P. salicina has fruits that range from yellow to crimson and are generally shorter and rounder than P. domestica. Almost all varieties, e.g., Early Golden, Shiro and Burbank, are hybrids of P. salicina and other species.

#### GROWING, HARVESTING AND MARKETING

Plum growing includes many operations beginning with the planting of young trees, which involves soil preparation and fertilization. The orchard must subsequently be managed by controlling weeds, pruning and removal of old, sick and dead trees. Disease and insects must be controlled by spraying, and finally there is harvesting and packing.

Plum trees can be grown satisfactorily in a wide variety of soils, though for the European plum well-drained clay loams are preferable. Plums do not do well in regions with hot, dry summers or dry, cold winters. The European plum is at home in the north-eastern United States, the Maritimes and in sheltered areas along the Great Lakes. However, it thrives best in irrigated intermountain regions of the Pacific Coast States and British Columbia, e.g., the Okanagan Valley. The European plum blossoms relatively late in spring, and thus is less susceptible to damage by a late frost than other tree fruits. The Japanese plum prefers a milder climate than the European plum. It grows best in warm loamy soils. Japanese plum blossoms open earlier than those of the European plum and are frequently killed by frost.

The Japanese plum and most European plums mature before the Prune subgroup of P. domestica. Plums are generally ready to harvest in Ontario and British Columbia toward the end of July. The season runs from August and to about mid October. In Nova Scotia, it is shorter and begins in mid August. The prune plum harvests in Ontario and British Columbia run generally from mid August to late October.

Plums for the fresh market are handled with extreme care. They are normally hand-picked with stems intact and care is taken to avoid breaking the skin. Receptacles are placed in the shade and removed to storage with a minimum of delay. When harvesting for distant markets, picking is done early in the day and the fruit is taken immediately to the packing shed, or it is done in late afternoon and the fruit is left overnight in the orchard to cool.

Processing plums can be harvested mechanically. Fruits are shaken from the trees by specially designed machines and permitted to fall onto catching frames, then to roll down a sloping canvas into bins.

Plums are very perishable and must be kept cool and moist to retain freshness and quality. Refrigeration to and at retail outlets is thus very important. European and Japanese plums deteriorate rapidly without refrigeration, and even with it cannot be stored for more than three to four weeks.

Plums for fresh market consumption are packed in 4-quart baskets, flat boxes and lugs. Packaging in pre-packaged consumer packs is unusual. Plums for the fresh market are packed at the farm or in packing houses operated by growers, marketing boards or cooperatives. Plums for the fresh market are usually graded and washed, and sometimes individually waxed.

Plums going to processors require much less care and handling, and are packed in large containers for direct shipment.

#### ACREAGE, PRODUCTION AND FARM VALUE

In 1971, according to Census Canada, there were 4,642 acres planted to plums and prune plums. At that time there were 411 thousand trees, or 26 per cent less than the 559 thousand reported in 1961. The number of farms reporting plums and prune plums declined even more, by 48 per cent, from 10,011 to 5,219. Clearly, this particular fruit growing industry has experienced a period of contraction. Production declined by 36.1 per cent from an average of 29.4 million pounds during 1961-65 to 18.8 million pounds during 1971-74.

On the other hand, the contraction appears to have taken place in the older trees, those over five years old. The number of young trees actually increased - there were 113 thousand trees under five years old in 1971 - so that the plum and prune plum orchards in existence today are, on average, probably younger than those of 15 years ago. The average grower of these fruits also managed more trees in 1971 than in 1961, 78 as against 55 trees. The average yield per tree, moreover, increased marginally from 61.6 pounds for the period 1961-65 to 63.0 pounds during 1971-74. The average yield per acre during the latter period was close to 4,100 pounds.

Canadian growers sold close to 80 per cent of their output of these fruits on the fresh market in 1971-74 and the remainder was sold to processors. This utilization pattern has not changed greatly during the period under review.

The industry is, commercially, almost entirely confined to Ontario and British Columbia; a small volume of production is recorded for the Maritimes, principally in Nova Scotia. Ontario continues to account for the greater portion of the number of trees, number of growers and output, but its position has diminished substantially during the period under review. During 1971-74, production of plums and prune plums in British Columbia averaged only marginally less than that in Ontario (see Table 1 and Appendix Table 1).

During 1971-74, the Ontario growers produced both plums and prune plums, 5.3 and 4.0 million pounds respectively. Actually Ontario's output of plums accounted for over 90 per cent of total Canadian production of this fruit, see Appendix Tables 2a and 2b. The remaining plum production is about equally divided between British Columbia and the Maritimes. British Columbia production is therefore confined primarily to prune plums, 9.0 million pounds per annum during 1971-74, representing close to 70 per cent of the Canadian crop.



Table 1: Plums and Prune Plums: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Maritimes	230	210	300	300	250	100	238	+ 3.5
Ontario	16,670	11,200	11,428	11,422	7,712	6,698	9,315	- 44.1
B.C.	12,480	9,794	10,348	6,384	12,820	7,374	9,231	- 26.0
Canada	29,380	21,204	22,076	18,106	20,782	14,172	18,784	- 36.1
- Farm Value, \$'000 -								
Maritimes	12	12	20	34	30	12	24	+100.0
Ontario	659	837	958	1,178	1,146	999	1,070	+ 62.4
B.C.	549	579	598	585	1,080	688	738	+ 34.4
Canada	1,220	1,428	1,576	1,797	2,256	1,699	1,832	+ 50.2
- Farm Value, ¢ per lb. -								
Maritimes	5.2	5.7	6.7	11.3	12.0	12.0	10.1	+ 94.2
Ontario	4.0	7.5	8.4	10.3	14.9	14.9	11.5	+187.5
B.C.	4.4	5.9	5.8	9.2	8.4	9.3	8.0	+ 81.8
Canada	4.2	6.7	7.1	9.9	10.9	12.0	9.8	+133.3

Source: Statistics Canada.

The declining importance of plum and prune plum production in Ontario, relative to British Columbia is to some extent a reflection of the greater efficiency of the latter. Output per tree, five years old and over, was more than twice as great in British Columbia than Ontario during 1971-74, 117.2 pounds as against 47.2 pounds. Moreover, this gap has widened since the early sixties; the yield per tree rose substantially in British Columbia where it was 105.1 pounds during 1961-65, while it dropped somewhat in Ontario from 51.1 pounds. Per acre, for the more recent period, growers in the western province realized 6,500 pounds as against 3,500 pounds for Ontario. Of course, the difference in yields between the two growing areas is to a considerable extent explained by the fact that Ontario grows principally plums and British Columbia almost exclusively prune plums. While yields are not available for these two fruits separately, available figures suggest that prune plums produce more than plums.

The average farm value per pound during 1971-74 was considerably higher in Ontario than in British Columbia, 11.5 cents as against 8.0 cents, see Table 1. Inasmuch as grower prices in these two provinces were about the same at the beginning of the period under study, it is evident that they have increased much more in Ontario than in British Columbia. The lower average unit farm value of the crop in British Columbia reflects its concentration on prune plums, which not only return less than plums, but of which a considerable portion is sold to processors, at lower prices than are obtained on the fresh market (see Appendix Tables 2a and 2b).

The average farm-gate price of plums and prune plums for Canada as a whole has more than doubled from an average of 4.2 cents in 1961-65 to 9.8 cents in 1971-74; it averaged 12.0 cents in 1974. The total value of the crop averaged \$1.8 million during the early 1970s, \$1.1 million for prune plums and \$700 thousand for plums.

#### SUPPLY AND DISPOSITION

Almost the entire volume of plums and prune plums produced in Canada is consumed domestically, as only minor volumes, either fresh or processed, are exported. Canadian consumption, however, exceeds domestically grown supplies by a wide and increasing margin. During 1971-74 Canadians consumed, on average, 77 million pounds of plums and prune plums, a level which includes domestic disappearance of these fruits in the processed form in fresh equivalent weight,<sup>(1)</sup> with imports supplying three-quarters of the market and domestic growers the remaining 25 per cent. In 1961-65 foreign growers met somewhat less than two-thirds of total domestic requirements, evidence that the level of import penetration has increased considerably during the period under review.

A substantial proportion of total consumption, an average of 41.5 per cent (Appendix Table 3) during 1971-74, is consumed in the processed form. This market is largely met by imports; during 1971-74, 87.5 per cent was supplied from abroad. Of the 27.0 million pounds, fresh equivalent weight, imported, the bulk comprised dried prune plums, which Canada does not produce. Over 1 million pounds of fresh plums and prune plums were imported by Canadian processors. Domestic requirements by processors have declined sharply during the period under review, from an annual average of 7.2 million pounds during 1961-65 to 4.0 million in 1971-74. The expansion of fresh imports for processing was offset by the lower domestic requirements so that, overall, processing of plums and prune plums in Canada has diminished.

While consumption in the processed form decreased, Canadians consumed an increasing volume of fresh plums and prune plums. Of the 45.2 million pounds sold fresh in 1971-74, domestic growers supplied 14.8 million pounds or 32.7 per cent. As can be seen in Table 2, during 1961-65 more than half of the fresh market consumption was domestically grown. It is evident that imports have increased their share of the fresh market as well.

---

(1) It should be noted that total consumption and consumption in the processed form are understated in so far as it concerns imports of processed plums and prune plums, other than prunes, for which separate trade data were unavailable.

Table 2: Plums and Prune Plums: Supply and Disposition, Canada, 1961-65 to 1971-74

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
				- '000 lb. -				
<u>Total Production</u>	29,380	21,204	22,076	18,106	20,782	14,172	18,784	-36.1
<u>Total Imports</u>								
Fresh	50,608	50,759	54,827	55,883	53,485	69,462	58,414	+15.4
Processed (dried) (a)	19,107	23,588	27,088	28,566	27,372	43,178	31,551	+65.1
	31,501	27,171	27,739	27,317	26,113	26,284	26,863	-14.7
<u>Total Supply Available</u>	79,988	71,963	76,903	73,989	74,267	83,634	77,198	- 3.5
Available for processing or imported processed	39,498	34,158	34,448	31,166	31,275	30,982	31,968	-19.1
From domestic production	7,180	5,487	4,515	3,349	4,412	3,698	3,994	-44.4
Imported processed(a)	31,501	27,171 (b)	27,739	27,317 (b)	26,113 (b)	26,284 (b)	26,863	-14.7
Imported fresh	817	1,500	2,194	500	750	1,000	1,111	+36.0
Available for fresh market	40,490	37,805	42,455	42,823	42,992	52,652	45,230	+11.7
From domestic production	22,200	15,717	17,561	14,757	16,370	10,474	14,790	-33.4
Imported	18,290	22,088	24,894	28,066	26,622	42,178	30,440	+66.4

Table 2: Plums and Prune Plums: Supply and Disposition, Canada, 1961-65 to 1971-74 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
Total Exports	197	57	22	27	250	4	76	-61.4
Fresh	197	57	22	27	250	4	76	-61.4
Total Domestic Disappearance	79,791	71,906	76,881	73,962	74,017	83,630	77,122	- 3.3
Consumed in processed form	39,498	34,158	34,448	31,166	31,275	30,982	31,968	-19.1
From domestic production	7,180	5,487	4,515	3,349	4,412	3,698	3,994	-44.4
From imports	32,318	28,671	29,933	27,817	26,863	27,284	27,974	-13.4
Fresh market consumption	40,293	37,748	42,433	42,796	42,742	52,648	45,154	+12.1
From domestic production	22,003	15,660	17,539	14,730	16,120	10,470	14,714	-33.1
Imported	18,290	22,088	24,894	28,066	26,622	42,178	30,440	+66.4

(a) Converted to fresh equivalent on the basis of 2.7 lb. fresh per 1 lb. dried product.

(b) Tariff Board estimate.

Source: Derived from Statistics Canada and Agriculture Canada data.

Since plums and prune plums are not storable it is readily apparent that imports outside the July-October domestic production season are the sole source of supply. On the other hand, since the production season in the United States, while it commences earlier, overlaps considerably with the Canadian one, the bulk of the fresh imports occurs at the same time that the domestic crop comes on the market. As shown in Table 3, off-season imports accounted for 3.9 million pounds, or less than one-seventh of total fresh plum and prune plum imports, during 1971-74. In-season imports have, however, increased sharply, by as much as domestic production declined, to a level of 25.0 million pounds. These fresh imports accounted for an average of 63.0 per cent of the in-season fresh market, a degree of import penetration well above the 36.7 per cent for the period 1961-65.

Table 3: Plums and Prune Plums: Fresh Market Production, Imports and Consumption, Averages, 1961-65 to 1971-74

	<u>1961-65</u>	<u>1966-70</u>	<u>1971-74</u>
	- '000 lb. -		
<u>Production</u>			
On-season (a)	22,003	15,660	14,714
Off-season (b)	-	-	-
Total	<u>22,003</u>	<u>15,660</u>	<u>14,714</u>
<u>Imports</u>			
On-season (a)	12,741	16,067	25,081
Off-season (b)	<u>5,549</u>	<u>5,237</u>	<u>3,939</u>
Total	<u>18,290</u>	<u>21,304</u>	<u>29,020</u>
<u>Consumption</u>			
On-season (a)	34,744	31,727	39,795
Off-season (b)	<u>5,549</u>	<u>5,237</u>	<u>3,939</u>
Total	<u>40,293</u>	<u>36,964</u>	<u>43,734</u>
	- per cent -		
<u>Imports as % of</u>			
<u>Consumption</u>			
On-season (a)	36.7	50.6	63.0
Off-season (b)	100.0	100.0	100.0
Total	<u>45.4</u>	<u>57.6</u>	<u>66.4</u>

(a) July-October growing season.

(b) January-June, November-December.

Source: Derived from Statistics Canada and Agriculture Canada data.

Separate statistics were available for prune plums and plums beginning in 1971, see Appendix Tables 5 and 6. It is evident from these tables that Canadian production consists primarily of prune plums as opposed to plums, with the former averaging 13 million pounds per annum during 1971-74, as against 5.7 million pounds, and that plums have accounted for most of the decline in the combined output of these fruits. Moreover, consumption of plums, both imported and domestic, is almost entirely in the fresh form; only a small volume is processed. The small and declining volume of these fruits processed in Canada, locally grown and imported, are for the greatest part prune plums. Including the fresh equivalent weight of imported (dried) prunes, Canadian consumption of prune plums is mostly in the processed form. Notwithstanding this, about three-quarters of the Canadian prune plum crop go to the fresh market.

Fresh market consumption of plums exceeds that of prune plums by a wide margin, an average of 31.1 million pounds during 1971-74 as against 14.0 million pounds. Moreover, the fresh market for plums appears to be expanding, while for prune plums it seems to be merely holding its own. Imports of both fruits have, since 1971, been rising more rapidly than consumption, and have, thus, increased their share of the Canadian market. However, the level of import penetration is much greater for plums than for prune plums, 84 per cent, on average, during 1971-74 as against 30 per cent. The converse is that only some 16 per cent of total fresh market consumption of plums was met from domestic production, compared to more than two-thirds for prune plums. Appendix Tables 7b and 7c demonstrate that, in-season, import penetration is substantially less than indicated above. In fact, during the peak production month of September, Canada is almost self-sufficient with respect to fresh prune plums. At the same time, less than half of the fresh market demand for plums was supplied domestically.

#### IMPORTS

Fresh imports of plums and prune plums have expanded by almost two-thirds during the period under review, see Table 2. It seems not only that imports of fresh plums exceed imports of fresh prune plums by a wide margin, but, also, that the former have increased more rapidly, see Appendix Tables 8a and 8b. Fresh plum imports averaged 27.1 million pounds during 1971-75 and fresh prune plums, 5.1 million pounds.

By far, the bulk of these fresh imports comes from the United States, in fact prune plums came exclusively from that country. Small volumes of plums are imported from Chile, usually during the period when North American supplies are unavailable. The bulk of Canadian imports, therefore, took place from June to October, a period which encompasses the Canadian production season. Plum imports were spread more evenly during these months than prune plums; the latter coincided more closely with the domestic marketing period, Appendix Tables 9, 10a, and 10b.

California supplied close to 85 per cent of U.S. exports to Canada, mostly plums, during 1972-74. Washington, with 11 per cent and a substantial proportion of prune plums, ranked second. Imports from Washington go mostly into western Canada and include the prune plums imported for processing.



EXPORTS

Exports of fresh plums and prune plums are not recorded separately. However, from talks with growers' associations, it may be assumed the figures in Appendix Table 12 refer to prune plums only. Generally, exports of prune plums are sporadic and virtually all shipments are to the United States with occasional sales to Europe. Export sales, during the past decade, peaked in 1973 at 250 thousand pounds.

PRICES

Prices to growers, as measured by average farm values per pound, have risen greatly during the period under review, particularly since 1971. They averaged 4.2 cents for plums and prune plums combined during 1961-65, 6.7 cents during 1966-70 and 9.8 cents during 1971-74. In 1974, farm values averaged 12.0 cents per pound

Grower prices have, generally speaking, been higher for plums than prune plums; for Canada as a whole, for the period 1971-74 they averaged 12.6 and 8.5 cents per pound respectively (Appendix Tables 2a and 2b). In recent years unit farm values for plums have been higher in Ontario, which accounts for the bulk of Canada's output of this fruit, than in British Columbia. Growers have realized more from fresh market sales than from sales to processors. On the basis of data available for British Columbia only, prune plums for the fresh market had a farm value averaging 8.7 cents per pound during 1971-74, and for processing, 5.0 cents. For plums the corresponding figures were 13.3 and 9.9 cents per pound, although it will be recalled that only small volumes of this fruit are processed.

Weekly wholesale-to-retail prices for domestic and imported plums and prune plums on the Halifax, Montreal, Toronto, Winnipeg and Vancouver markets were collected by the Board for 1974 (see Appendix Tables 13a-13d). It is evident, that, with respect to prune plums, Washington is the main source of competition to Canadian growers, and that the imported product is price competitive with Ontario prune plums in Montreal and Toronto throughout the season, and with the British Columbia product in Winnipeg. Only on the Vancouver market were price quotations for imported prune plums not available during the main domestic production period, presumably because deliveries were too few to establish a price.

Wholesale-to-retail prices for plums indicate that the western Canadian market is supplied almost entirely by imports; there was a small volume of B.C. plums marketed in Vancouver during September. Moreover, in eastern Canada imports are available in season, in varieties not available domestically, and at prices, generally speaking, below those for Ontario plums.

Data on the landed costs of imported plums and prune plums are presented in Appendix Tables 14a-14d. It is evident from the data that the cost of freight (including brokerage and other transportation) generally provides a marked degree of protection of domestic growers in their local markets. On the basis of 1974 prices and costs, freight



and other charges on imported prune plums, as a percentage of the f.o.b. cost, ranged from 35 per cent to 46 per cent in Toronto, from 46 per cent to 82 per cent in Montreal, and from 18 per cent to 30 per cent in Winnipeg. This non-tariff protection may in fact be non-existent for growers in British Columbia's Okanagan Valley, since they are about the same distance from their main markets as their main competitors just across the border in Washington.

#### CANADA-UNITED STATES COMPARISONS

United States production of plums and prune plums averaged 1.2 billion pounds per year during 1971-74, a volume many times greater than the Canadian output of 18.8 million pounds. Moreover, while the volume grown in Canada, compared to the level during 1966-70, declined by 11 per cent, U.S. output increased by 1 per cent, indicating that the small proportion of the North American crop produced in Canada has declined.

The U.S. crop of prune plums is close to four times that country's crop of plums. California is by far the most important producing area of both fruits, especially with respect to plums (Appendix Table 15a). A large volume of prune plums, probably in excess of 100 million pounds, is produced in states other than California, such as Idaho, Washington, Oregon, and Michigan. Since the bulk of the prune crop in California is dried, the main source of competition for domestic prune plum growers is these other states, in particular Washington. Prune plum production in these other states would appear to be at least six times greater than the total Canadian crop.

As in Canada, plums are almost entirely sold on the fresh market. The entire California crop of prune plums is dried, and nearly half of the output of this fruit in other states is processed as well, see Appendix Table 15c.

Canadian imports of plums and prune plums during 1971-74, 58.4 million pounds in fresh equivalent weight, represented nearly 5 per cent of total U.S. production. Canadian imports equalled about 3.5 per cent of U.S. prune plum production and 12 per cent of its plum crop.

Average farm values per pound in the United States and Canada, see Table 4, suggest that prices to growers in the two countries do not differ greatly. For prune plums, comparing Washington, Oregon, Idaho, and Michigan with British Columbia, this not surprising inasmuch as the relatively small industry in the latter, without the benefit of protection provided by distance, cannot get far out of line with its competitors just south of the border. Cost of production studies indicate, however, that it costs more to produce prune plums in British Columbia than in Washington.<sup>(1)</sup> British Columbia growers have, as a consequence, increased their sales to the higher-value fresh market, at the expense of processing sales, so that the average unit return on their entire crop has averaged about 15 per cent higher than in the United States.

(1) The Tender Fruit Industry in Canada, 1973, Agriculture Canada.

Table 4: Unit Farm Values, Plums and Prune Plums, for Fresh or Processed Markets, Canada and Selected States, 1971-74

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Farm Value, ¢ per lb. -					
<u>Fresh Plums for Fresh and Processing Markets</u>					
California	11.5	12.4	16.1	13.7	13.4
Canada	8.5	11.8	17.0	18.4	12.6
<u>Fresh Prune Plums for Fresh Markets</u>					
Idaho, Michigan, Oregon, Washington	6.1	10.7	10.5	8.9	8.9
British Columbia	6.6	9.4	9.2	9.8	8.7
<u>Fresh Prune Plums for Processing Markets</u>					
Idaho, Michigan, Oregon, Washington	2.7	4.0	4.9	6.7	4.7
British Columbia	3.0	6.0	5.7	6.7	5.0
<u>Fresh Prune Plums for Fresh and Processing</u>					
Idaho, Michigan, Oregon, Washington	4.4	8.6	7.4	7.8	6.9
British Columbia	5.6	9.1	8.3	9.1	7.9

Source: Appendix Tables 2a and 2b, 13a, to 13c.

TARIFF CONSIDERATIONS

When imported into Canada, either for fresh market consumption or for processing, fresh plums and fresh prune plums are classified under tariff items 9207-1 and 9208-1 respectively, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty:			
9207-1 Plums .....	Free	10 p.c. or Free	10 p.c. or Free

In any 12 month period ending 31st March, the 10 per cent duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the 10 per cent duty is not in effect.

9208-1 Prune plums ..... per pound	Free	1½ cts. or Free	1½ cts. or Free
------------------------------------	------	-----------------------	-----------------------

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty is not in effect.

These items have existed in their present form since 1968 and are bound under GATT. Prior to 1959, these products were admissible under a single tariff item providing for "plums and prunes." The reductions since 1930 in duties on plums and prunes under the Most-Favoured-Nation and General Tariff are given in Table 5 which lists only those changes, by Statute or by Trade Agreement, which affected the applicable rates. In the table the rates shown are per cent ad valorem or cents per pound; when a period of weeks appears below a rate, this represents the maximum applicable period for that rate. Although specific rates were introduced for both products in 1948, they were removed in 1968 with respect to plums.

Table 5: Plums and Prune Plums: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
<u>Plums and Prunes</u>			
1930, May 2 Statutory Change	Free (b)	15 p.c.	20 p.c. (c)
1939, January 1 United States Trade Agreement		10 p.c. (d)	
1948, January 1 GATT		1 ct. (e) (10 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	1 ct. (10 weeks) or 10 p.c.	1 ct. (10 weeks) or 10 p.c.
1959, April 10 Statutory Change <u>Plums</u>	Free	Free (f) 1 ct. (10 weeks) or 10 p.c.	Free (f) 1 ct. (10 weeks) or 10 p.c.
<u>Prunes</u>	Free	1½ cts. (12 weeks) or 10 p.c.	1½ cts. (12 weeks) or 10 p.c.
1968, January 1 Statutory Change (g) <u>Plums</u>	Free	10 p.c. (12 weeks) or Free	10 p.c. (12 weeks) or Free
<u>Prune Plums</u>	Free	1½ cts. (12 weeks) or Free	1½ cts. (12 weeks) or Free

(a) Applicable to imports from the United States until December 31, 1935.

(b) Under the South African Trade Agreements effective June 30, 1933, free entry bound for plums and prunes from that country for the months of December to April, with the maintenance during these months of the existing margins of preference. B.P. treatment was bound for the balance of the years.

(c) Not less than  $\frac{3}{4}$  ct., July 15 to October 31.

(d) May to November; balance of year remained 15 p.c. - see footnote (b).

(e) Not applied until 1950.

(f) Free entry prescribed for May and June.

(g) As a result of the Kennedy Round.

In the United States, Canada's major supplier of plums and prune plums, fresh plums and prunes are classified under item 149.19 at a rate of 0.1 cent per pound if entered during January; under item 149.20 at a rate of 0.1 cent per pound if entered from February 1 to May 31; and under item 149.21 at a rate of 0.5 cent per pound if entered from June 1 to December 31. Canadian exports would attract the highest rate.

The Canadian Horticultural Council proposed that the seasonal ad valorem rate of duty on plums be raised from 10 to 20 per cent. The Council requested no change in the period of application, nor the introduction of a seasonal specific duty with an ad valorem minimum. The Canadian Fruit Wholesalers' Association and the Northwest Horticultural Council, Yakima, Washington, both urged that the present tariff treatment of plums be maintained. Although the Canadian Food Processors Association originally proposed the introduction of a separate tariff item for plums for processing, this suggestion was subsequently withdrawn; as pointed out, this product is almost exclusively consumed in the fresh form.

The seasonal duty on fresh plum imports was applied three times in the Maritimes, twice in the western tariff region and seven times in the central tariff region during the period 1966-75 (see Appendix Table 16a). The tendency has been to apply it first in the western region, then in the central region and finally in the Maritime region. When applied, the seasonal duty for plums has been in effect for the maximum period of 12 weeks, except in 1966 in the central region when it was on for 10 weeks only.

The proposal of the Horticultural Council would double the level and amount of protection. A 20 per cent seasonal ad valorem rate would, on the basis of an average f.o.b. unit import value of 19 cents per pound, have a specific duty equivalent of nearly 4 cents per pound. It has been estimated by the Board that, based on 1974 imports and production, this proposal would increase the cost of plums during the 12-week seasonal period to Canadian consumers by \$957 thousand per year, or by 17 cents per family of four. On the other hand, grower benefits are estimated at \$52 thousand only. With most of the market being supplied by imports, it is evident that the main beneficiary of an increase in protection would be the federal government in the form of higher duty revenues.

It would appear that the current maximum period of 12 weeks for application of the seasonal duty encompasses most, if not all, of the domestic harvesting period, see Appendix Table 4a.

The Canadian Horticultural Council requested an increase in the existing seasonal specific duty from  $1\frac{1}{2}$  cents to 4 cents per pound with a minimum of 20 per cent ad valorem for prune plums. The seasonal duty period and off-season free entry were to be left unchanged. The Canadian Fruit Wholesalers' Association supported the Council's recommendations. The Northwest Horticultural Council, Yakima, Washington, opposed any increase in the duty on prune plums. The Canadian Food Processors Association proposed the establishment

of a separate tariff item for imports of fresh prune plums for processing, "Prune plums for manufacture," with an off-season rate of Free and a seasonal duty of 10 per cent ad valorem.

During 1966-75 the seasonal duty was applied every year in the central tariff region and every year, except 1970, in the western region. Usually, the period of application in the western region preceded that in the central region by one to three weeks. When applied, the seasonal duty was in effect for the full maximum of 12 weeks presently provided for under tariff item 9208-1 (see Appendix Table 16b). The present maximum period would appear to encompass most of the domestic production season; any production that might be marketed outside this dutiable period would account for a small proportion of the Canadian crop only.

It is evident from Appendix Table 17b that the level of protection provided by the current specific duty on prune plums has diminished, as the price of this fruit has increased. The average value for duty during 1966-70 was 7.7 cents per pound and the ad valorem equivalent of the specific duty of 1.5 cents per pound was 19.5 per cent. During 1971-75, the dutiable value averaged 9.3 cents per pound and the ad valorem equivalent declined to 16.1 per cent. The ad valorem equivalent in 1975 was 11.9 per cent. It would require a specific duty of  $2\frac{1}{2}$  cents per pound, on the basis of the 1975 average unit import value of 12.6 cents, to return to the level of protection prevailing during the late 1960s.

The Council's proposal of a specific duty of 4 cents per pound would, with respect to fresh market imports entering at 12.6 cents per pound,<sup>(1)</sup> have an ad valorem equivalent of close to 32 per cent. The proposed seasonal ad valorem minimum of 20 per cent would have had a specific duty equivalent of  $2\frac{1}{2}$  cents per pound. With a specific duty of 4 cents per pound and a minimum of 20 per cent, the ad valorem would become the effective rate only when the value for duty of prune plums reached 20 cents per pound. The proposed rates would, evidently, more than compensate for the decline in the level of protection experienced during the past decade.

The increase of  $2\frac{1}{2}$  cents in the amount of duty proposed by the Council, would add substantially to the consumer cost of fresh market prune plums. The Board estimated that this additional cost, based on 1974 consumption and imports during the dutiable period, could be as high as \$516 thousand, or 9 cents per family of four, per year. Similarly, grower benefits are estimated at \$205 thousand.

---

(1) Average of dutiable imports for 1975.



For fresh prune plums imported for processing the proposed specific duty would provide a level of protection equivalent of close to 60 per cent.<sup>(1)</sup> The present specific duty on fresh imports for processing,  $1\frac{1}{2}$  cents per pound, is equivalent to better than 20 p.c., on the basis of an average value in 1974 of 6.7 cents per pound. It is apparent, because of the substantial difference in import prices for the fresh market product and the product imported for processing, that the existing, as well as the proposed, specific duty provides a much higher level of protection for the lower-value processing fruit. The 10 p.c. rate proposed by the CFPA on imports of fresh prune plums for processing would have a specific duty equivalent of 6/10 cent per pound, a lower rate of protection than provided by the existing specific duty.

### CONCLUSIONS

Canadian production of plums, grown almost entirely in Ontario and sold primarily on the fresh market, has declined substantially during the period under review. Consumption of plums, both in-season and out-of-season has increased, and the share of this market supplied by Canadian growers has dropped. Imports during the period 1971-75 accounted for close to 85 per cent of annual consumption, and for 50 per cent or more during the Canadian production period.

California is the principal source of competition for the Canadian plum industry. This state has the advantage of an earlier and longer season, grows a larger number of varieties of plums with high consumer appeal, and is, undoubtedly, a more efficient producer, as indicated by the concentration of nearly the entire U.S. crop in that state.

These considerations led the Board to conclude that even the 20 p.c. level of protection proposed by The Canadian Horticultural Council would not result in a significant recovery of this declining industry, while the doubling of protection would add considerably to the in-season cost of this fruit for Canadian consumers. On the other hand the Board is reluctant to reduce the protection presently provided to this industry, and therefore recommends that the minimum level of seasonal protection be established at duty of 2 cents per pound is also recommended. These rates would be applicable, under both the Most-Favoured-Nation and General Tariff, for a maximum period of 12 weeks. The B.P. rate would remain Free.

Prune plum production in Canada, considerably greater than the domestic output of plums and principally grown in British Columbia, has also declined and experienced increasing fresh market import competition. However, domestic growers of prune plums, in contrast to those producing plums, appear to have a much stronger market position when marketing their own crop. Prune plum growers in Idaho, Oregon, and Washington, particularly the latter, are the main alternative sources of this fruit, and would experience growing conditions

---

(1) This assumes that the 1974 average unit value of 6.7 cents per pound for prune plums sold for processing in states other than California would have been the f.o.b. price of imports into Canada.



much like those in British Columbia. While, no doubt, production costs are higher for domestic growers, it is felt that these would tend to be in line with the present rate of protection. The Board, therefore, recommends that the present specific duty of  $1\frac{1}{2}$  cents per pound, as per tariff item 9208-1, be retained with respect to prune plums for the fresh market, and that a seasonal ad valorem minimum of  $12\frac{1}{2}$  per cent be introduced. These rates would be applicable, under the Most-Favoured-Nation and the General Tariff for a maximum period of 12 weeks. The B.P. rate would remain Free.

Because a considerable volume of prune plums is imported by Canadian processors, usually at much lower unit prices than the fresh market product, the Board deemed it desirable to have a separate item for the entry of these goods, and so recommends. Imports under this new item would be dutiable at a rate of  $\frac{3}{4}$  cent per pound but not less than  $12\frac{1}{2}$  p.c. under both the Most-Favoured-Nation and General Tariff, applicable year round.

#### RECOMMENDATIONS

The Board recommends that tariff items 9207-1 and 9208-1 be deleted from Schedule "A" and the following items be inserted:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Plums, n.o.p. .... per pound	Free	2 cts. but not less than $12\frac{1}{2}$ p.c., or Free	2 cts. but not less than $12\frac{1}{2}$ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Prune plums, n.o.p. .... ..... per pound	Free	$1\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c., or Free	$1\frac{1}{2}$ cts. but not less than $12\frac{1}{2}$ p.c., or Free
---	------	---	---

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Prune plums for processing ..... ..... per pound	Free	$\frac{3}{4}$ ct. but not less than $12\frac{1}{2}$ p.c.	$\frac{3}{4}$ ct. but not less than $12\frac{1}{2}$ p.c.
---	------	---	---

Appendix Table 1

Plums and Prune Plums: Number of Trees, Acres and Farms Reporting, by Province and Region, 1961 and 1971

	1961				No. of Farms Reporting	1971			
	Total	Number of Trees		Total		Number of Trees		Total Acres	
		Under 5 yrs.	Over 5 yrs.			Under 5 yrs.	Over 5 yrs.		
<u>Atlantic Region</u>									
Nfld.	693	11,796	3,264	8,532	289	14,613	6,916	7,697	217
P.E.I.	11	211	62	149	2	55	-	55	1
N.S.	43	921	649	272	14	3,993	3,609	384	46
N.B.	520	9,082	2,220	6,862	241	9,766	2,983	6,783	159
	119	1,582	333	1,249	32	799	324	475	11
<u>Central Region</u>									
Que.	5,783	393,529	50,358	343,171	2,810	260,227	51,489	208,738	2,901
Ont.	1,414	24,179	7,357	16,822	480	14,450	2,978	11,472	244
	4,369	369,350	43,001	326,349	2,330	245,777	48,511	197,266	2,657
<u>Western Region</u>									
Man.	3,535	153,462	27,875	125,587	2,120	136,019	54,345	81,674	1,524
Sask.	142	6,498	2,564	3,934	48	6,565	6,248	317	21
Alta.	123	5,221	2,895	2,326	68	2,521	1,257	1,264	54
B.C.	62	6,547	5,910	637	43	2,741	1,384	1,357	34
	3,208	135,196	16,506	118,690	1,961	124,192	45,456	78,736	1,415
Canada (a)	10,011	558,787	81,497	477,290	5,219	410,859	112,750	298,109	4,642

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

	Fresh		Sold to Processors <sup>(a)</sup>		Total	
	Quantity	Farm Value	Quantity	Farm Value	Quantity	Farm Value
	'000 lb.	\$'000 c/lb.	'000 lb.	\$'000 c/lb.	'000 lb.	\$'000 c/lb.
Average 1966-70	-	-	-	-	-	-
Maritimes	-	-	-	-	-	-
Ontario	2,905	..	1,834	..	4,739	348 7.3
B.C.	7,199	449 6.2	2,318	107 4.6	9,517	556 5.8
Canada	10,104	..	4,152	..	14,256	904 6.3
1971	-	-	-	-	-	-
Maritimes	-	-	-	-	-	-
Ontario	2,549	..	1,004	..	3,553	293 8.2
B.C.	7,443	491 6.6	2,716	81 3.0	10,159	572 5.6
Canada	9,992	..	3,720	..	13,712	865 6.3
1972	-	-	-	-	-	-
Maritimes	-	-	-	-	-	-
Ontario	3,596	..	1,620	..	5,216	446 8.5
B.C.	5,569	524 9.4	603	36 6.0	6,172	560 9.1
Canada	9,165	..	2,223	..	11,388	1,006 8.8
1973	-	-	-	-	-	-
Maritimes	-	-	-	-	-	-
Ontario	2,578	..	826	..	3,404	395 11.6
B.C.	9,385	868 9.2	3,226	184 5.7	12,611	1,052 8.3
Canada	11,963	..	4,052	..	16,015	1,447 9.0
1974	-	-	-	-	-	-
Maritimes	-	-	-	-	-	-
Ontario	2,729	..	1,248	..	3,977	480 12.1
B.C.	5,486	540 9.8	1,602	108 6.7	7,088	648 9.1
Canada	8,215	..	2,850	..	11,065	1,128 10.2
Average 1971-74	-	-	-	-	-	-
Maritimes	-	-	-	-	-	-
Ontario	2,863	..	1,175	..	4,038	404 10.0
B.C.	6,971	606 8.7	2,037	102 5.0	9,008	708 7.9
Canada	9,834	..	3,212	..	13,046	1,112 8.5

(a) Not necessarily net processed.

Source: Statistics Canada and various Provincial sources.

Plums: Production, Farm Value and Farm Value per Pound, by Province, 1966-1974

	Fresh			Sold to Processors (a)			Total		
	Quantity '000 lb.	Farm Value		Quantity '000 lb.	Farm Value		Quantity '000 lb.	Farm Value	
		\$'000	¢/lb.		\$'000	¢/lb.		\$'000	¢/lb.
Average 1966-70									
Maritimes	210	12.0	5.7	-	-	-	210	12.0	5.7
Ontario	4,531	..	..	1,358	..	..	5,889	488.9	8.3
B.C.	274	22.9	8.4	6	0.4	6.3	280	23.4	8.3
Canada	5,015	..	..	1,364	..	..	6,379	524.3	8.2
1971									
Maritimes	300	20.0	6.7	-	-	-	300	20.0	6.7
Ontario	7,159	..	..	716	..	..	7,875	664.9	8.4
B.C.	188	26.5	14.1	-	-	-	188	26.5	14.1
Canada	7,647	..	..	716	..	..	8,363	711.4	8.5
1972									
Maritimes	300	34.0	11.3	-	-	-	300	34.0	11.3
Ontario	5,136	..	..	1,070	..	..	6,206	732.8	11.8
B.C.	212	24.9	11.7	-	-	-	212	24.9	11.7
Canada	5,648	..	..	1,070	..	..	6,718	791.7	11.8
1973									
Maritimes	250	30.0	12.0	-	-	-	250	30.0	12.0
Ontario	3,738	..	..	570	..	..	4,308	751.0	17.4
B.C.	205	27.0	13.2	4	0.4	9.9	209	27.4	13.1
Canada	4,193	..	..	574	..	..	4,767	808.4	17.0
1974									
Maritimes	100	12.0	12.0	-	-	-	100	12.0	12.0
Ontario	2,236	..	..	484	..	..	2,720	519.0	19.1
B.C.	285	39.8	14.0	-	-	-	285	39.8	14.0
Canada	2,621	..	..	484	..	..	3,105	570.8	18.4
Average 1971-74									
Maritimes	238	24.0	10.1	-	-	-	238	24.0	10.1
Ontario	4,567	..	..	710	..	..	5,277	666.9	12.6
B.C.	223	29.6	13.3	1	0.1	9.9	224	29.7	13.2
Canada	5,028	..	..	711	..	..	5,739	720.6	12.6

(a) Not necessarily net processed.

Source: Statistics Canada and various Provincial sources.

Plums and Prune Plums: Supply and Disposition Ratios, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74
- per cent -							
<u>Per Cent of Domestic Production:</u>							
Consumed in processed form	24.4	25.9	20.5	18.5	21.2	26.1	21.3
Consumed fresh	74.9	73.8	79.4	81.4	77.6	73.9	78.3
Exported	0.7	0.3	0.1	0.1	1.2	*	0.4
<u>Total Imports as Per Cent:</u>							
of total supply available	63.3	70.5	71.3	75.5	72.0	83.1	75.7
of total domestic disappearance	63.4	70.6	71.3	75.6	72.3	83.1	75.7
<u>Fresh Imports as Per Cent:</u>							
of fresh market availability	45.2	58.4	58.6	65.5	61.9	80.1	67.3
of fresh market consumption	44.8	58.5	58.7	65.6	62.3	80.1	67.4
<u>Processed Imports as Per Cent:</u>							
of consumption in processed form	79.8	79.5	80.5	87.7	83.5	84.8	87.5
of total domestic disappearance	39.5	37.8	36.1	36.9	35.3	31.4	34.8
<u>Per Cent of Fresh Market Consumption:</u>							
From domestic production	54.6	41.5	41.3	34.4	37.7	19.9	32.6
From imports	45.4	58.5	58.7	65.6	62.3	80.1	67.4
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in processed form	49.5	47.5	44.8	42.1	42.3	37.0	41.5
Consumed in fresh form	51.5	52.5	55.2	57.9	57.7	63.0	58.5
Production as % of Total Domestic Disappearance	36.8	29.5	28.7	24.5	28.1	16.9	24.4

Source: Table 2.

Appendix Table 4a

Plums: Estimated Monthly Distribution of Fresh Shipment, <sup>(a)</sup>  
1971-1974

	<u>Average</u> <u>1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
	- thousand pounds -				
Jan.	-	-	-	-	-
Feb.	-	-	-	-	-
Mar.	-	-	-	-	-
Apr.	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-
July	118	242	2	207	210
Aug.	1,356	2,497	1,220	1,287	418
Sept.	3,002	3,890	3,928	2,446	1,742
Oct.	481	938	441	467	77
Nov.	-	-	-	-	-
Dec.	-	-	-	-	-
Total	4,956	7,568	5,592	4,407	2,257

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 4b

Prune Plums: Estimated Monthly Distribution of Fresh Shipment, <sup>(a)</sup>  
1971-1974

	<u>Average</u> <u>1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
	- thousand pounds -				
Jan.	-	-	-	-	-
Feb.	-	-	-	-	-
Mar.	-	-	-	-	-
Apr.	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-
July	237	319	4	551	74
Aug.	2,556	3,290	1,994	3,420	1,519
Sept.	6,096	5,125	6,419	6,501	6,339
Oct.	870	1,236	721	1,242	279
Nov.	-	-	-	-	-
Dec.	-	-	-	-	-
Total	9,758	9,970	9,138	11,713	8,211

(a) Domestic production for domestic fresh market sales.

Source: Derived from Statistics Canada and Agriculture data.

Prune Plums: Estimated Supply and Disposition, Canada, 1971 to 1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- thousand pounds -				
<u>Total Production</u>	13,712	11,388	16,015	11,065	13,046
<u>Total Imports</u>	33,518	32,129	30,357	32,992	32,249
Fresh	5,779	4,812	4,244	6,708	5,386
Processed (dried) (a)	27,739	27,317	26,113	26,284	26,863
<u>Total Supply Available</u>	47,230	43,517	46,372	44,057	45,295
Available for processing or imported processed	33,653	30,040	30,915	30,134	31,186
From domestic production	3,720	2,223	4,052	2,850	3,212
Imported processed	27,739	27,317 (b)	26,113 (b)	26,284 (b)	26,863
Imported fresh	2,194	500	750	1,000	1,111
Available for fresh market	13,577	13,477	15,457	13,923	14,109
From domestic production	9,992	9,165	11,963	8,215	9,834
Imported	3,585	4,312	3,494	5,708	4,275
<u>Total Exports</u>	22	27	250	4	76
Fresh	22	27	250	4	76



Prune Plums: Estimated Supply and Disposition, Canada, 1971 to 1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- thousand pounds -				
<u>Total Domestic Disappearance</u>	47,208	43,490	46,122	44,053	45,219
Consumed in processed form	33,653	30,040	30,915	30,134	31,186
From domestic production	3,720	2,223	4,052	2,850	3,212
From imports	29,933	27,817	26,863	27,284	27,974
Fresh market consumption	13,555	13,450	15,207	13,919	14,033
From domestic production	9,970	9,138	11,713	8,211	9,758
Imported	3,585	4,312	3,494	5,708	4,275

(a) Converted to fresh equivalent on the basis of 2.7 lb. fresh per 1 lb. dried product.

(b) Tariff Board estimate.

Source: Derived from Statistics Canada and Agriculture Canada data.

Plums: Estimated Supply and Disposition, Canada, 1971 to 1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average</u> <u>1971-74</u>
			- thousand pounds -		
<u>Total Production</u>	8,363	6,718	4,767	3,105	5,738
<u>Total Imports</u>	21,309	23,754	23,128	36,470	26,165
<u>Fresh</u>	21,309	23,754	23,128	36,470	26,165
<u>Total Supply Available</u>	29,672	30,472	27,895	39,575	31,903
<u>Total Exports</u>	-	-	-	-	-
<u>Total Domestic Disappearance</u>	29,672	30,472	27,895	39,575	31,903
Consumed in processed form	795	1,126	360	848	782
From domestic production	795	1,126	360	848	782
Imported fresh	-	-	-	-	-
Fresh market consumption	28,877	29,346	27,535	38,727	31,121
From domestic production	7,568	5,592	4,407	2,257	4,956
Imported	21,309	23,754	23,128	36,470	26,165

Source: Derived from Statistics Canada and Agriculture Canada data.

Plums and Prune Plums: Estimated Monthly Distribution of Fresh  
Market Consumption, 1961-65 to 1971-74

	Average 1961-65	Average 1966-70	Average 1971-74			
	Imports as % of Con- sumption	Imports as % of Con- sumption	From Domestic Produc- tion	From Imports	Total Consump- tion	Imports as % of Con- sumption
	- per cent -		- thousand pounds -			per cent
Jan.	100.0	100.0	-	59	59	100.0
Feb.	100.0	100.0	-	125	125	100.0
Mar.	100.0	100.0	-	111	111	100.0
Apr.	-	100.0	-	12	12	100.0
May	100.0	100.0	-	63	63	100.0
June	100.0	100.0	-	3,753	3,753	100.0
July	85.9	96.4	355	11,456	11,811	97.0
Aug.	37.5	55.2	3,912	10,787	14,699	73.4
Sept.	13.4	15.7	9,098	3,234	12,332	26.2
Oct.	4.5	13.0	1,351	763	2,114	36.1
Nov.	-	-	-	75	75	100.0
Dec.	100.0	-	-	3	3	100.0
Total	45.4	58.8	14,714	30,440	45,154	67.4

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 7b

Plums: Estimated Monthly Distribution of Fresh  
Market Consumption, Average 1971-1974

	<u>From Domestic Production</u>	<u>From Imports</u>	<u>Total Consumption</u>	<u>Imports as % of Consumption</u>
	- thousand pounds -			
Jan.	-	45	45	100.0
Feb.	-	101	101	100.0
Mar.	-	92	92	100.0
Apr.	-	9	9	100.0
May	-	35	35	100.0
June	-	3,053	3,053	100.0
July	118	9,735	9,853	98.8
Aug.	1,356	9,460	10,816	87.5
Sept.	3,002	2,836	5,838	48.6
Oct.	481	722	1,203	60.0
Nov.	-	74	74	100.0
Dec.	-	3	3	100.0
Total	4,956	26,165	31,121	84.1

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 7c

Prune Plums: Estimated Monthly Distribution of Fresh  
Market Consumption, Average 1971-1974

	<u>From Domestic Production</u>	<u>From Imports</u>	<u>Total Consumption</u>	<u>Imports as % of Consumption</u>
	- thousand pounds -			
Jan.	-	14	14	100.0
Feb.	-	24	24	100.0
Mar.	-	19	19	100.0
Apr.	-	3	3	100.0
May	-	28	28	100.0
June	-	700	700	100.0
July	237	1,721	1,958	87.9
Aug.	2,556	1,327	3,883	34.2
Sept.	6,096	398	6,494	6.1
Oct.	870	41	911	4.5
Nov.	-	1	1	100.0
Dec.	-	-	-	-
Total	9,758	4,275	14,033	30.4

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 8a

Plums: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Chile</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -			
1966	15,699	120	139	15,958
1967	18,022	90	-	18,112
1968	22,229	265	37	22,581
1969	13,133	366	13	13,512
1970	26,170	245	-	26,415
Average 1966-70	19,051	217	48	19,316
1971	21,022	286	1	21,309
1972	23,596	157	1	23,754
1973	22,956	156	16	23,128
1974	36,218	235	17	36,470
1975	30,786	274	3	31,063
Average 1971-75	26,916	222	8	27,145

Source: Customs documents tabulated by Statistics Canada.

Appendix Table 8b

Prune Plums: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -		
1966	3,138	-	3,138
1967	2,279	-	2,279
1968	3,311	-	3,311
1969	8,855	11	8,866
1970	3,768	-	3,768
Average 1966-70	4,270	2	4,272
1971	5,779	-	5,779
1972	4,811	1	4,812
1973	4,244	-	4,244
1974	6,708	-	6,708
1975	4,118	-	4,118
Average 1971-75	5,132	*	5,132

Source: Customs documents tabulated by Statistics Canada.

Plums and Prune Plums: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -							
Jan.	104	0.4	52	0.2	55	16	57	50
Feb.	92	0.4	115	0.4	76	105	149	171
Mar.	114	0.5	100	0.3	47	58	108	133
Apr.	22	0.1	18	0.1	4	21	20	43
May	4	*	29	0.1	130	1	12	2
June	2,141	9.1	2,841	8.8	4,872	2,462	3,348	1,905
July	7,994	33.9	10,119	31.3	10,303	9,593	12,594	11,210
Aug.	8,167	34.6	11,802	36.6	9,839	9,590	16,524	12,776
Sept.	4,019	17.0	5,138	15.9	2,529	3,890	7,807	7,052
Oct.	901	3.8	1,921	6.0	613	1,405	2,479	1,546
Nov.	27	0.1	102	0.3	97	139	73	187
Dec.	<u>1</u>	<u>*</u>	<u>41</u>	<u>0.1</u>	<u>-</u>	<u>91</u>	<u>6</u>	<u>107</u>
Total	23,588	100.0	32,277	100.0	28,566	27,372	43,178	35,181

Source: Statistics Canada.

Appendix Table 10a

Plums: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	104	0.5	46	0.2	55	16	25	50
Feb.	90	0.5	115	0.4	76	105	149	170
Mar.	114	0.6	100	0.4	46	58	108	133
Apr.	22	0.1	15	0.1	4	8	20	40
May	3	*	28	0.1	130	-	12	-
June	2,133	11.0	2,815	10.4	4,830	2,452	3,315	1,861
July	7,965	41.2	10,023	36.9	10,158	9,488	12,468	11,175
Aug.	6,587	34.1	9,796	36.1	7,104	7,336	14,508	11,141
Sept.	2,050	10.6	3,257	12.0	1,138	3,030	4,598	4,943
Oct.	225	1.2	850	3.1	116	513	1,187	1,362
Nov.	22	0.1	97	0.4	97	117	73	186
Dec.	1	*	3	*	-	5	6	2
Total	19,316	100.0	27,145	100.0	23,754	23,128	36,470	31,063

Source: Customs documents tabulated by Statistics Canada.

Appendix Table 10b

Prune Plums: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -								
Jan.	*	*	6	0.1	-	-	32	-
Feb.	2	*	*	*	-	1	1	1
Mar.	*	*	*	*	1	-	-	*
Apr.	-	-	3	0.1	-	13	-	3
May	1	*	1	*	-	1	-	2
June	29	0.2	26	0.5	42	10	33	44
July	30	0.7	95	1.9	145	106	126	35
Aug.	1,580	37.0	2,006	39.1	2,735	2,254	2,016	1,635
Sept.	1,969	46.1	1,881	36.6	1,391	860	3,209	2,108
Oct.	76	15.8	1,070	20.9	498	892	1,292	184
Nov.	6	0.1	5	0.1	-	22	-	1
Dec.	-	-	38	0.7	-	86	*	105
Total	4,272	100.0	5,132	100.0	4,812	4,244	6, '08	4,118

Source: Customs documents tabulated by Statistics Canada.



Plums and Prunes: Percentage Distribution of Fresh Market  
Imports from United States, by State of  
Origin, by Region, 1972-1974

	<u>California</u>	<u>Oregon</u>	<u>Washington</u>	<u>Idaho</u>	<u>Others</u>	<u>Total</u>
	- per cent -			-		
<u>1972</u>						
Maritime Region	98.9	1.1	-	-	-	100.0
Central Region	88.6	1.9	5.3	4.1	0.1	100.0
Western Region	71.0	0.1	27.4	-	1.4	100.0
Canada	84.2	1.5	11.0	3.0	0.3	100.0
<u>1973</u>						
Maritime Region	85.8	2.1	2.8	8.3	1.0	100.0
Central Region	91.7	1.7	4.3	1.3	1.0	100.0
Western Region	72.0	0.3	26.9	0.6	0.2	100.0
Canada	86.5	1.3	10.1	1.2	0.8	100.0
<u>1974</u>						
Maritime Region	98.9	-	0.9	0.2	-	100.0
Central Region	88.1	1.0	7.3	2.5	1.1	100.0
Western Region	71.2	0.9	26.6	0.7	0.6	100.0
Canada	84.3	1.0	11.8	2.0	0.9	100.0

Source: Agriculture Canada.

Appendix Table 12

Plums and Prunes: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>United Kingdom</u>	<u>West Germany</u>	<u>Total</u>
	- thousand pounds -			
1966	51	-	-	51
1967	22	139	-	161
1968	51	-	-	51
1969	16	-	-	16
1970	8	-	-	8
Average 1966-70	30	28	-	57
1971	22	*	-	22
1972	27	-	-	27
1973	24	-	226	250
1974	4	-	-	4
1975	15	-	-	15
Average 1971-75	18	*	45	64

Source: Agriculture Canada.

Prune Plums: Weekly Wholesale to Retail Prices, at Montreal, Toronto, Winnipeg and Vancouver, 1974

Week Ending	Montreal		Toronto		Winnipeg		Vancouver	
	Wash.	Ont.	Cal.	Wash.	Wash.	B.C.	Wash.	B.C.
	Italian	Italian			Italian	Italian	Italian	Italian
	ctn	4x4 qt.	ctn.	4x4 qt.	ctn	ctn	ctn	ctn
	30 lb.	22 lb.	- 30 lb -	22 lb.	30 lb.	21 lb.	30 lb.	17 lb.
- cents per pound -								
Aug. 2			21.3				22.5	
9			21.3				22.5	
16	20.8	42.0(a)		17.1	18.8		24.0	
23	19.6	44.3		18.8	18.6		22.1	24.0
30	19.6			21.3	18.6		20.2	20.2
Sept. 6	20.4	44.3		38.1	18.6		22.2	22.2
13	20.0	29.0		22.1	20.4	24.0	22.4	22.4(b)
20	21.3	29.0		21.7	21.3	24.5	23.6	23.6(b)
27	21.3	28.4		27.9	21.3	24.2	23.0	23.0(b)
Oct. 4			20.4					

(a) Quotation for Red, Blue varieties.

(b) Quotation for 21 pounds.

Source: Agriculture Canada.



Plums: Weekly Wholesale to Retail Prices, at Halifax and Montreal, 1974

Week Ending	Halifax			Montreal				
	Chile		Ont.	Chile		California		Ont.
	President	Duarte	Green Gage	President	Beauty	Santa Rosa	Nubliana	Queen Ann
	Flat 100's	Santa Rosa	4x4 qt.	- 4x4	lug & 4x5	lug -	80/84	Red
	- 30 lb.	lug 4x5	m/c	- 30 lb.	- 30 lb.	-	lug	bskt m/c
	- 30 lb.	24 lb.	24 lb.	- 30 lb.	- 30 lb.	-	30 lb.	24 lb.
	- cents per pound -							
July	5	35.0 (a)			23.0	25.5		
	12	35.0 (a)			23.0	25.5		
	19	27.5 (a)			23.4			
	26	25.7				28.9	32.5	
Aug.	2	25.7			23.2 (d)	26.5	28.4	(f)
	9	25.7			23.0 (d)	23.4	25.7	44.3 (f)
	16	25.0			20.0 (d)	23.8	23.9	38.0 (f)
	23	25.0			20.9 (d)	24.8	23.5	
	30	28.3			20.9 (d)	24.2 (e)	23.8	36.0
Sept.	6	28.3	50.0 (b)		25.9 (d)	24.6 (e)		38.5
	13	28.3	34.4		29.2 (d)	26.3 (e)		38.0
	20	28.3	34.4			26.6 (e)		25.5
	27		34.4			27.7 (e)		25.5
Oct.	4		34.4			24.8		21.9

- (a) Variety not stated.  
 (b) Quotation for Burbank variety.  
 (c) Quotation for Santa Rosa variety.  
 (d) Late variety.  
 (e) Quotation for Casselman variety.  
 (f) Quotation for Early Gold variety.

Source: Agriculture Canada.

Plums: Weekly Wholesale to Retail Prices, at Toronto, 1974

Week Ending	Toronto				
	Chile	California		Ontario	
	Santa Rosa	Red Beauty	Santa Rosa	Shiro	Burbank
	Flat 100's	- 4x4 lug & 4x5 lug -	4x5 lug & 3x4x4 lug	6 qt. bskt. 9 lb.	4x4 qt. m/c 24 lb.
		- 30 lb. -			
		- cents per pound -			
Feb. 8	30.8				
15	28.8				
22	28.8				
Mar. 1	28.8				
8	28.8				
15	32.5				
22	33.8				
May 31		58.0			
June 7		54.4			
14		53.1			
21		53.1	37.5		
28			30.7		
July 5			26.7		
12			26.7		
19		30.8 (a)	26.7 (b)		
26		29.1 (a)	27.1 (b)		25.6
Aug. 2		29.2 (a)	25.3 (b)		27.1
9		29.2 (a)	24.6 (b)	43.1	27.1
16		29.2 (a)	24.6 (b)	39.2	27.1
23				43.1	34.9 (c)
Sept. 6				43.1	34.9 (c)
13					26.4
20					

(a) Quotation for Queen Anne variety, loose, all sizes, 30 lb.

(b) Quotation for Nubiana variety, 4 x 4 and 3 x 4 x 4 lug, 30 lb.

(c) Quotation for Stanley variety, 4 x 4 qt. bskt., 24 lb.

Source: Agriculture Canada.

Plums: Weekly Wholesale to Retail Prices, at Winnipeg and Vancouver, 1974

Week Ending	Winnipeg			Vancouver		
	California			California		
	Red Beauty	Santa Rosa	Maroposa	Red Beauty	Santa Rosa	B.C.
	5 x 5 lug and	4 x 4	4 x 4	4 x 5	4 x 5	Dawson
	4 x 5 lug	lug	lug	ctn.	ctn.	24 lb.
			- 30 lb. -			
			- cents per pound -			
May 31				67.3		
June 7	45.4			56.1		
14	42.1 (a)			51.3		
21	46.3 (a)	46.3		53.8	53.8	
28	48.3	34.6			37.5	
July 5		31.7			33.5	
12		28.8			27.5	
19			23.8		27.5	
26		26.3	24.2 (c)		25.7	
Aug. 2		25.4	25.8 (c)		24.8	
9		24.4 (b)	22.9		25.0	
16		22.9 (b)	21.7		25.0 (d)	
23		22.1 (b)	23.0		27.5 (d)	
30		24.1 (b)	22.5		27.9 (d)	
Sept. 6		24.2 (b)	22.5		28.8 (d)	
13		19.2 (b)			28.8 (d)	28.5 (e)
20		19.2			31.0	32.6

(a) Quotation for Red Beauty variety, 4 x 4 and 4 x 5 lug, 30 lb.

(b) Quotation for Santa Rosa late variety.

(c) Quotation for Nubiana variety, 4 x 4 lug, 30 lb.

(d) Quotation for Casselman variety, ctn. of 30 lb.

(e) Ctn. 21 lb.

Source: Agriculture Canada.

Imported United States Prune Plums: Total Landed Cost; Cost of f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Toronto; Selected Data by Month, 1972-74

Month of Shipment	1972					1973					1974				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
August	Wash.	12.6	3.9	-	16.5	-	-	-	-	-	Wash.	10.0	4.6	-	14.6
	"	14.1	3.9	-	18.0	-	-	-	-	-	-	-	-	-	-
	"	13.4	3.9	-	17.3	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	Wash.	13.9	4.8	1.6	20.3
	-	-	-	-	-	-	-	-	-	-	"	13.4	4.8	1.5	19.6

- cents per pound -

Source: Tariff Board survey.



Imported United States Prune Plums: Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Montreal, Winnipeg and Vancouver; Selected Data by Month, 1974

Month of Shipment	Montreal					Winnipeg					Vancouver				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
							- cents per pound		-						
May	-	-	-	-	-	-	-	-	-	-	Calif.	21.5	1.0	-	22.5
	-	-	-	-	-	-	-	-	-	-	"	20.0	1.0	-	21.0
July	-	-	-	-	-	-	-	-	-	-	Calif.	19.9	1.6	-	21.5
	-	-	-	-	-	-	-	-	-	-	"	18.9	1.6	-	20.5
August	Oregon Wash.	7.6	6.2	-	13.8	Wash.	13.3	2.4	-	15.7	Wash.	11.1	1.1	1.5	14.7
	"	10.1	4.6	-	14.7	"	10.0	2.8	1.5	14.3	-	-	-	-	-
	"	10.1	4.7	-	14.8	"	13.6	3.1	1.5	18.2	-	-	-	-	-
September	Wash.	9.2	5.1	-	14.3	Wash.	13.3	4.0	1.5	18.9	-	-	-	-	-
	-	-	-	-	-	"	13.3	3.3	1.5	18.1	-	-	-	-	-
	-	-	-	-	-	"	13.3	3.4	1.5	18.3	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	Calif.	22.0	1.4	-	23.4
	-	-	-	-	-	-	-	-	-	-	"	19.5	1.3	-	20.8

Source: Tariff Board survey.

Imported United States Plums: Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Toronto; Selected Data by Month, 1972-74

Month of Shipment	1972					1973					1974				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
June	Calif.	20.6	5.6	-	26.2	-	-	-	-	-	-	-	-	-	-
July	Calif.	18.9	4.1	-	23.0	Calif.	29.9	4.1	-	34.1	Calif.	14.0	4.7	-	18.7
	-	-	-	-	-	"	29.6	5.4	-	35.0	"	20.2	4.7	-	24.9
August	Calif.	30.1	4.9	-	35.0	Calif.	18.6	5.2	1.9	25.6	Calif.	13.4	5.2	-	18.5
	"	25.3	3.9	-	29.2	-	-	-	-	-	"	19.4	5.4	-	24.8
	Wash.	26.4	3.8	-	30.2	-	-	-	-	-	"	24.9	4.9	-	29.7

Source: Tariff Board survey.

Imported United States Plums: Total Landed Cost; Cost f.o.b.; Freight, Brokerage  
and Other Costs; Cost of Duty; Montreal, Winnipeg, and  
Vancouver; Selected Data by Month, 1974

Month of Shipment	Montreal					Winnipeg					Vancouver				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Landed Cost
							- cents per pound								
May	-	-	-	-	-	Calif.	37.5	4.3	-	41.8	Calif.	37.3	2.6	-	40.0
	-	-	-	-	-	"	-	-	-	-	"	45.5	2.4	-	47.9
	-	-	-	-	-	-	-	-	-	-	"	39.0	2.5	-	41.5
June	-	-	-	-	-	-	-	-	-	-	Calif.	30.5	3.1	-	33.6
	-	-	-	-	-	-	-	-	-	-	"	40.8	2.7	-	43.5
	-	-	-	-	-	-	-	-	-	-	"	18.8	2.6	-	21.4
	-	-	-	-	-	-	-	-	-	-	"	24.2	2.7	-	26.9
July	-	-	-	-	-	Calif.	14.0	4.3	-	18.3	Calif.	14.0	2.7	-	16.7
	-	-	-	-	-	"	14.0	4.9	-	18.9	"	13.8	2.9	-	16.8
	-	-	-	-	-	"	17.3	4.3	-	21.7	"	14.2	2.6	-	16.8
	-	-	-	-	-	"	-	-	-	-	"	15.7	2.4	-	18.1
August	-	-	-	-	-	-	-	-	-	-	Calif.	14.2	2.6	-	16.8
	-	-	-	-	-	-	-	-	-	-	"	13.8	3.0	-	16.8

Source: Tariff Board survey.

Appendix Table 15a

## Plums and Prunes: Production, Farm Value and Farm Value per Pound, United States, by States, 1966-1974

	Average 1966-70	1971	1972	1973	1974	Average 1971-74
		- Production, '000 lb. -				
Plums - California	190,800	202,000	192,000	194,000	286,000	218,500
Prunes - California (Dry basis)	311,600	262,000	154,000	410,000	284,000	277,500
Prunes - California (Fresh basis)	841,320(a)	786,000	429,660	1,225,900	888,920	832,620
Plums and Prunes: (b)						
Idaho		25,600	14,160	16,100	12,200	17,015
Michigan		40,000	28,000	36,000	24,000	32,000
Oregon		33,400	16,800	51,600	56,000	39,450
Washington		31,000	24,800	29,400	42,200	31,850
Total	129,592	130,000	83,760	133,100	134,400	120,315
Total U.S. (Fresh Basis)	1,161,712	1,118,000	705,420	1,553,000	1,309,320	1,171,435
		- Farm Value, \$'000 -				
Plums - California	17,436	23,129	23,808	31,137	39,182	29,314
Prunes - California	42,971	37,597	41,195	94,710	62,480	58,996
Plums and Prunes: (b)						
Idaho		1,843	1,558	1,860	1,623	1,721
Michigan		1,440	1,946	2,214	2,100	1,925
Oregon		1,126	1,529	3,302	4,200	2,539
Washington		1,361	2,195	2,440	2,574	2,143
Total	6,402	5,770	7,228	9,816	10,497	8,328
Total U.S.	66,809	66,496	72,231	135,663	112,159	96,638

Plums and Prunes: Production, Farm Value and Farm Value per Pound, United States, by States, 1966-1974

	Average 1966-70	1971	1972	1973	1974	Average 1971-74
		- Farm Value, ¢ per lb. -				
Plums - California	9.1	11.5	12.4	16.1	13.7	13.4
Prunes - California (Dry basis)	13.8	14.4	26.8	23.1	22.0	21.3
Prunes - California (Fresh basis)	5.1	4.8	9.6	7.7	7.0	7.1
Plums and Prunes:(b)						
Idaho		7.2	11.0	11.6	13.3	10.1
Michigan		3.6	7.0	6.2	8.8	6.0
Oregon		3.4	9.1	6.4	7.5	6.4
Washington		4.4	8.9	8.3	6.1	6.7
Total	4.9	4.4	8.6	7.4	7.8	6.9
Total U.S. (Fresh Basis)	5.8	5.9	10.2	8.7	8.6	8.2

(a) Converted to fresh on the basis of 2.7 pounds fresh per 1 pound dried.

(b) Mostly Prune Plum, however small quantities of plums are included.

Source: U.S. Department of Agriculture.

Appendix Table 15b

Plums and Prunes: Fresh Market Production, Farm Value and  
Farm Value per Pound, United States, by  
States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
<u>Plums</u>					
California	196,400	186,600	187,600	280,000	212,650
<u>Prunes and Plums</u> <sup>(c)</sup>					
Idaho	23,040	13,860	15,200	(a)	17,367 <sup>(b)</sup>
Michigan	16,400	12,200	7,300	(a)	11,967 <sup>(b)</sup>
Oregon	7,200	11,400	13,000	16,000	11,900
Washington	21,920	20,620	23,200	32,300	24,510
Total	68,560	58,080	58,700	68,700	63,510
Total U.S.	264,960	244,680	246,300	348,700	276,160
- Farm Value, \$'000 -					
<u>Plums</u>					
California	23,077	23,792	31,048	39,200	29,279
<u>Prunes and Plums</u> <sup>(c)</sup>					
Idaho	1,786	1,538	1,794	(a)	1,706 <sup>(b)</sup>
Michigan	869	1,275	796	(a)	980 <sup>(b)</sup>
Oregon	303	1,220	1,248	1,168	985
Washington	1,184	2,165	2,332	2,213	1,974
Total	4,148	6,186	6,164	6,080	5,645
Total U.S.	27,225	29,978	37,212	45,280	34,924
- Farm Value, ¢ per lb. -					
<u>Plums</u>					
California	11.8	12.8	16.6	14.0	13.8
<u>Prunes and Plums</u> <sup>(c)</sup>					
Idaho	7.8	11.1	11.8	(a)	9.8 <sup>(b)</sup>
Michigan	5.3	10.5	10.9	(a)	8.2 <sup>(b)</sup>
Oregon	4.2	10.7	9.6	7.3	8.2
Washington	5.4	10.5	10.1	6.9	8.1
Total	6.1	10.7	10.5	8.9	8.9
Total U.S.	10.3	12.3	15.1	13.0	12.6

(a) Data not published to avoid disclosure of individual operations.

(b) Three-year average 1971-1973.

(c) Mostly Prune Plums, however small quantities of plums are included.

Source: U.S. Department of Agriculture.

Plums and Prunes: Processing Market Production, Farm Value and Farm Value per Pound,  
United States, by States, 1971-74

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
		- Production, '000 lb. -			
Plums - California	5,600	5,400	6,400	6,000	5,850
Prunes - California (Dry basis)	262,000	154,000	410,000	284,000	277,500
Prunes - California (Fresh basis)	786,000	429,660	1,225,900	888,920	832,620
Plums and Prunes:(c)					(b)
Idaho	2,560	300	900	(a)	1,253
Michigan	23,600	15,800	28,700	(a)	22,700
Oregon	26,200	5,400	38,600	40,000	27,550
Washington	9,080	4,180	6,200	9,900	7,340
Total	61,440	25,680	74,400	65,700	56,805
Total U.S. (Fresh basis)	853,040	460,740	1,306,700	960,620	895,275
		- Farm Value, \$'000 -			
Plums - California	67	52	72	98	72
Prunes - California	37,597	41,195	94,710	62,480	58,996
Plums and Prunes:(c)					48(b)
Idaho	58	19	66	(a)	905(b)
Michigan	625	667	1,422	(a)	1,540
Oregon	782	311	2,046	3,020	169
Washington	177	30	112	355	2,678
Total	1,644	1,027	3,638	4,402	61,746
Total U.S.	39,308	42,274	98,420	66,980	



Plums and Prunes: Processing Market Production, Farm Value and Farm Value per Pound, United States, by States, 1971-74

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- Farm Value, ¢ per lb. -				
Plums - California	1.2	1.0	1.1	1.6	1.2
Prunes - California (Dry basis)	14.4	26.8	23.1	22.0	21.3
Prunes - California (Fresh basis)	4.8	9.6	7.7	7.0	7.1
Plums and Prunes:(c)					(b)
Idaho	2.3	6.3	7.3	(a)	3.8
Michigan	2.6	4.2	5.0	(a)	4.0
Oregon	3.0	5.8	5.3	7.6	5.6
Washington	1.9	0.7	1.8	3.6	2.3
Total	2.7	4.0	4.9	6.7	4.7
Total U.S. (Fresh basis)	4.6	9.2	7.5	7.0	6.9

(a) Data not published to avoid disclosure of individual operations.

(b) Three-year average 1971-1973.

(c) Mostly Prune Plums, however, small quantities of plums are included.

Source: U.S. Department of Agriculture.

Plums: Dates of Application and Removal of the Seasonal,  
Ad Valorem Duty, by Tariff Region, 1966-1975

Year (a)	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	Aug. 17	Oct. 26	70	-	-	-
1967	-	-	-	-	-	-	Aug. 11	Nov. 3	84
1968	-	-	-	-	-	-	-	-	-
1969	-	-	-	-	-	-	-	-	-
1970	-	-	-	Aug. 1	Oct. 23	83	-	-	-
1971	-	-	-	July 24	Oct. 15	83	-	-	-
1972	Aug. 20	Nov. 10	82	Aug. 11	Nov. 2	83	-	-	-
1973	Aug. 18	Nov. 10	84	Aug. 10	Nov. 2	84	-	-	-
1974	Aug. 17	Nov. 9	84	July 24	Oct. 16	84	-	-	-
1975	-	-	-	-	-	-	-	-	-
	-	-	-	Aug. 27	Nov. 18	83	Aug. 19	Nov. 10	83

(a) Government fiscal year, commencing April 1st; ending March 31st following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Prune Plums: Dates of Application and Removal of the Seasonal,  
Specific Duty, by Tariff Region, 1966-1975

Year (a)	Maritime Provinces			(b) Central Canada			(c) Western Canada		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	Aug. 17	Nov. 9	84	Aug. 9	Nov. 1	84
1967	-	-	-	Aug. 11	Nov. 3	84	Aug. 11	Nov. 3	84
1968	-	-	-	July 25	Oct. 17	84	Aug. 9	Nov. 1	84
1969	-	-	-	Aug. 21	Nov. 13	84	Aug. 1	Oct. 23	83
1970	-	-	-	July 31	Oct. 22	83	-	-	-
1971	-	-	-	Aug. 31	Nov. 23	84	Aug. 6	Oct. 28	83
1972	-	-	-	Aug. 31	Nov. 23	84	Aug. 10	Nov. 2	84
1973	-	-	-	Aug. 21	Nov. 13	84	Aug. 8	Oct. 31	84
1974	-	-	-	Aug. 29	Nov. 20	83	Aug. 13	Nov. 4	83
1975	-	-	-	Aug. 27	Nov. 18	83	Aug. 19	Nov. 10	83

(a) Government fiscal year, commencing April 1st; ending March 31st following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Appendix Table 17a

Plums: Dutiable and Non-Dutiable Imports, 1966-1975

	<u>Total</u>	<u>Non-</u>	<u>%</u>	<u>Dutiable</u>	<u>%</u>	<u>Price f.o.b.</u>
	<u>'000 lb.</u>	<u>Dutiable</u>		<u>'000 lb.</u>		<u>Dutiable</u>
		<u>'000 lb.</u>				<u>¢ per lb.</u>
1966	15,958	7,293	45.7	8,665	54.3	16.2
1967	18,112	2,101	11.6	16,011	88.4	15.3
1968	22,581	22,129	98.0	452	2.0	17.2
1969	13,512	11,985	88.7	1,527	11.3	18.8
1970	26,415	19,890	75.3	6,525	24.7	11.5
Average						
1966-70	19,316	12,680	65.6	6,636	34.4	15.0
1971	21,309	18,155	85.2	3,154	14.8	14.4
1972	23,754	22,448	94.5	1,306	5.5	24.1
1973	23,128	17,901	77.4	5,227	22.6	20.7
1974	36,470	36,105	99.0	365	1.0	19.0
1975	31,063	28,764	92.6	2,299	7.4	18.6
Average						
1971-75	27,145	24,675	90.9	2,470	9.1	19.0

Source: Customs documents tabulated by Statistics Canada.

Prune Plums: Dutiable Imports and the Ad Valorem Equivalent  
of the M.F.N. Specific Duty, 1966-1975

	Imports			Price f.o.b. Dutiable ¢ per lb.	M.F.N. Specific Duty ¢ per lb.	Ad Valorem Equivalent of M.F.N. Specific Duty %
	Total '000 lb.	Non- Dutiable '000 lb.	%	Dutiable '000 lb.	%	
1966	3,138	3	0.1	3,135	99.9	15.8
1967	2,279	-	-	2,279	100.0	14.6
1968	3,311	752	22.7	2,559	77.3	17.0
1969	8,866	1,738	19.6	7,128	80.4	26.3
1970	3,768	803	21.3	2,965	78.7	18.8
Average 1966-70	4,272	659	15.4	3,613	84.6	19.5
1971	5,779	1,294	22.4	4,485	77.6	29.4
1972	4,812	3,210	66.7	1,602	33.3	13.0
1973	4,244	2,007	47.3	2,237	52.7	12.7
1974	6,708	3,099	46.2	3,609	53.8	13.9
1975	4,118	2,936	71.3	1,182	28.7	11.9
Average 1971-75	5,132	2,509	48.9	2,623	51.1	16.1

Source: Customs documents tabulated by Statistics Canada.

RASPBERRIES AND LOGANBERRIESTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	369
Acreage, Production and Farm Value .....	369
Supply and Disposition .....	372
Imports .....	373
Exports .....	373
Prices .....	373
Canada-United States Comparisons .....	375
Tariff Considerations .....	375
Conclusions .....	379
Recommendations .....	379
Appendix Tables .....	381





### RASPBERRIES AND LOGANBERRIES

The raspberry (Rubus) is an old and well-known, fruit-bearing bush probably originating in eastern Asia where many species are known. In Canada and the United States, three species are grown commercially - R. strigosus, the red raspberry; R. occidentalis, the eastern black raspberry; and R. Leucodermis, the western black raspberry.

The loganberry originated as a hybrid of the wild blackberry (R. ursinus) of the Pacific coast and the red raspberry. It was first raised from seed in the United States in 1881.

Commercial cultivation of raspberries and loganberries in Canada is concentrated in British Columbia which accounted for more than 80 per cent of the crop's annual average farm value of \$5.3 million in 1971-74. Annual per capita consumption in Canada declined from 0.85 pound in 1961-65 to 0.55 pound in 1971-74.

### GROWING, HARVESTING AND MARKETING

Raspberries and loganberries thrive in temperate regions. In Canada, most of the crop is grown around Abbotsford and Chilliwack in the lower British Columbia mainland.

Red raspberries are propagated by suckers obtained from the roots of the parent plant. However, black and purple varieties and loganberries are propagated by layering the tips of shoots. Two years after planting, raspberry and loganberry plants produce a small crop. In the third year, full production takes place. Good crops can be expected for 12 years or more.

After bearing fruit, the plant's canes die but not the roots. The dead canes are cut away after each harvest to make room for new shoots. Loganberry canes are arched and run along the ground or climb over brush and shrubs; raspberry canes are erect.

In Canada, harvesting generally lasts about four weeks. This four-week period varies by region but usually occurs during July and August. Most of the berries are sold in bulk to processors to be frozen or, in the case of loganberries, to be made into wine. Those sold to the fresh market are usually sorted on the farm into plastic containers with perforated sides and bottoms. The containers are then covered partly or completely with transparent film.

Fresh berries can be kept in good condition for about 10 days if stored at  $-1^{\circ}\text{C}$  to  $0^{\circ}\text{C}$  and at a relative humidity of about 85-90 per cent.

### ACREAGE, PRODUCTION AND FARM VALUE

Most of the raspberry crop is grown in British Columbia with smaller amounts being produced in Ontario, Quebec, and the Maritimes. Loganberries are produced solely in British Columbia.

Appendix Table 1 shows that from 1961 to 1971, raspberry acreage declined by one-quarter, to 4,288 acres from 5,739 acres. Ontario and Quebec had the sharpest absolute declines while British Columbia had a significant increase.

The table also shows that, in general, raspberries are grown on a modest scale by individual producers. Total acreage planted in 1971 involved 2,983 farms or about 1.5 acres per farm. British Columbia farms averaged about 2.5 acres each. There were no data on loganberry acreage.

Table 1: Raspberries and Loganberries: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Maritimes	107	104	82	76	74	82	79	- 26.2
Quebec	1,545	1,238	876	876	538	800	773	- 50.0
Ontario	3,014	1,452	1,504	1,062	978	882	1,107	- 63.3
B.C.	<u>13,637</u>	<u>15,699</u>	<u>11,215</u>	<u>11,834</u>	<u>13,191</u>	<u>13,623</u>	<u>12,466</u>	- 8.6
Canada	18,303	18,493	13,677	13,848	14,781	15,387	14,423	- 21.2
- Farm Value, \$'000 -								
Maritimes	36	51	41	36	46	52	44	+ 22.2
Quebec	481	399	350	350	314	499	378	- 21.4
Ontario	892	593	568	466	537	536	527	- 40.9
B.C.	<u>2,327</u>	<u>3,096</u>	<u>2,892</u>	<u>4,155</u>	<u>5,938</u>	<u>4,332</u>	<u>4,330</u>	+ 86.1
Canada	3,737	4,138	3,851	5,007	6,835	5,419	5,279	+ 41.3
- Farm Value, ¢ per lb. -								
Maritimes	33.6	49.0	50.0	47.4	62.2	63.4	55.7	+ 65.8
Quebec	31.1	32.2	40.0	40.0	58.4	62.4	48.9	+ 57.2
Ontario	29.6	40.8	37.8	43.9	54.9	60.8	47.6	+ 60.8
B.C.	<u>17.1</u>	<u>19.7</u>	<u>25.8</u>	<u>35.1</u>	<u>45.0</u>	<u>31.8</u>	<u>34.7</u>	+102.9
Canada	20.4	22.4	28.2	36.2	46.2	35.2	36.6	+ 79.4

Source: Statistics Canada.

During the review period, annual average production of raspberries and loganberries declined by 21.2 per cent to 14.4 million pounds from 18.3 million pounds (see Table 1). All of the decline occurred since 1966-70 when average annual production reached 18.5 million pounds. Although production of both fruits declined during the review period, the relative decline in loganberry production was significantly greater than that for raspberries (see Tables 1a and 1b).

Table 1a: Raspberries: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Maritimes	107	104	82	76	74	82	79	- 26.2
Quebec	1,545	1,238	876	876	538	800	773	- 50.0
Ontario	3,014	1,452	1,504	1,062	978	882	1,107	- 63.3
B.C.	12,486	14,295	10,360	11,154	12,788	13,276	11,895	- 4.7
Canada	17,152	17,089	12,822	13,168	14,378	15,040	13,852	- 19.2
- Farm Value, \$'000								
Maritimes	36	51	41	36	46	52	44	+ 22.2
Quebec	481	399	350	350	314	499	378	- 21.4
Ontario	892	593	568	466	537	536	527	- 40.9
B.C.	2,153	2,842	2,708	3,992	5,828	4,215	4,186	+ 94.4
Canada	3,563	3,884	3,667	4,844	6,725	5,302	5,135	+ 44.1
- Farm Value, ¢ per lb. -								
Maritimes	33.6	49.0	50.0	47.4	62.2	63.4	55.7	+ 65.8
Quebec	31.1	32.2	40.0	40.0	58.4	62.4	48.9	+ 57.2
Ontario	29.6	40.8	37.8	43.9	54.9	60.8	47.6	+ 60.8
B.C.	17.2	19.9	26.1	35.8	45.6	31.7	35.2	+104.7
Canada	20.8	22.7	28.6	36.8	46.8	35.3	37.1	+ 78.4

Source: Statistics Canada.

Table 1b: Loganberries: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
B.C.	1,151	1,404	855	680	403	347	571	- 50.4
Canada	1,151	1,404	855	680	403	347	571	- 50.4
- Farm Value, \$'000 -								
B.C.	174	254	184	163	110	117	144	- 17.2
Canada	174	254	184	163	110	117	144	- 17.2
- Farm Value, ¢ per lb. -								
B.C.	15.1	18.1	21.5	24.0	27.3	33.7	25.2	+ 66.9
Canada	15.1	18.1	21.5	24.0	27.3	33.7	25.2	+ 66.9

Source: Statistics Canada.

Production decreased in all provinces during the review period. In absolute and relative terms, it fell most in Ontario - by 1.9 million pounds or 63 per cent. British Columbia remained the largest producer accounting for 12.5 million pounds annually in 1971-74 or 86.4 per cent of Canadian production during that period.

Annual farm value averaged \$5.3 million in 1971-74 compared with \$3.7 million in 1961-65. Since production declined over this period, the rise in farm value was entirely due to an increase in average price per pound.

Farm value per pound rose from an annual average of 20.4 cents for raspberries and loganberries in 1961-65 to 36.6 cents in 1971-74. The largest increase was in British Columbia, the smallest in Quebec. Nevertheless, during 1971-74, the annual average farm value per pound in British Columbia was some 30-40 per cent lower than in other provinces (see Table 1). Average annual farm values per pound in 1971-74 ranged from 55.7 cents in the Maritimes to 34.7 cents in British Columbia. The farm value per pound of loganberries during the review period was constantly lower than that for raspberries. In 1971-74, for example, the difference was 10 cents per pound.

The farm values per pound of raspberries is lowest in British Columbia. There are two reasons for this. First, in British Columbia most of the crop was sold for processing and only a small quantity was sold to the fresh market. In other provinces, the situation was reversed. More essentially, costs of production are much lower in British Columbia. The main underlying factor is the much higher output per acre. Using the acreage figures provided by the 1971 Census, it can be seen that B.C. growers averaged about 5,000 pounds per acre, compared with about 1,600 pounds in Ontario and less than 1,000 pounds in Quebec.

#### SUPPLY AND DISPOSITION

Total supply of raspberries and loganberries in 1971-74 averaged 15.2 million pounds annually, a decline of about one-fifth from the 18.9 million pounds supplied in 1961-65. There was no significant change in the sources of supply during the review period although domestic production decreased and imports increased slightly. Fresh and processed imports, the latter in fresh equivalent weight, averaged 782,000 pounds annually in 1971-74 compared with 631,000 pounds annually in 1961-65. This represented 5.4 per cent and 3.4 per cent of domestic production in 1971-74 and 1961-65 respectively. Most of the imports were in a frozen form.

Domestic marketing occurs mainly in July and August. Since the fruits do not store long, domestic supplies for the fresh market are not available in the off-season.

The small quantity of fresh raspberries and loganberries that is imported goes for processing. Almost all fresh imports arrive during the on-season (see Appendix Table 3) but competition has been insignificant since such imports have accounted for less than 1 per cent of domestic production during the review period.

Between 1961-65 and 1971-74, fresh market consumption declined by 43.5 per cent from 4.8 million pounds to 2.7 million pounds. Consumption in processed form also decreased from 11.3 million pounds to 9.4 million pounds or 11.4 per cent. Fresh market consumption represented 22.3 per cent of total domestic disappearance in 1971-74 compared with 29.8 per cent in 1961-65. In the Maritimes, Quebec, and Ontario, where raspberries only are grown, almost all the crop in recent years has been sold to the fresh market. In British Columbia, on the other hand, the bulk of production of both fruits was sold for processing.

Exports increased by 7.4 per cent, to 3.1 million pounds in 1971-74 from 2.9 million pounds in 1961-65. In 1961-65 and 1971-74, exports accounted for 15.8 per cent and 21.5 per cent respectively of domestic production.

Total domestic consumption decreased from an annual average of 16.0 million pounds in 1961-65 to 14.8 million pounds in 1966-70, and to 12.1 million pounds in 1971-74 (see Table 2).

#### IMPORTS

During 1971-75, imports of fresh berries averaged about 78,000 pounds annually and, in recent years, came from the United States. In 1973, a small quantity came from New Zealand (see Appendix Table 2).

#### EXPORTS

As indicated in Table 2, exports averaged 3.1 million pounds per year during 1971-74. All shipments went to the United States (see Appendix Table 4), generally during July and August. Almost all exports originated in British Columbia (see Appendix Table 6).

#### PRICES

The average farm value per pound of raspberries and loganberries rose from 20.4 cents in 1961-65 to 36.6 cents in 1971-74, an increase of about 80 per cent (see Table 1).

Appendix Table 7 shows wholesale-to-retail prices for raspberries sold for fresh use in Halifax, Montreal, and Toronto. It also shows data for domestic fruit only for a period of three to five weeks in July and August, depending on the city. Imports did not occur or were too small for a price quotation to be established. Data on loganberries were not available.

Statistics for 1974 show that prices for fresh raspberries, wholesale-to-retail, ranged from 92 cents per pound to \$1.25 per pound in Montreal, \$1.02 to \$1.08 in Toronto and a constant \$1.12 in Halifax.

Table 2: Raspberries and Loganberries: Supply and Disposition, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
				- '000 lb. -				
<u>Total Production</u>	18,303	18,493	13,677	13,848	14,781	15,387	14,423	- 21.2
<u>Total Imports</u>								
Fresh	631	576	599	947	902	679	782	+ 23.9
Processed - frozen (b)	46	61 (c)	6	266 (c)	98 (c)	11	95	+106.5
	585	515	593	681	804	668	687 (c)	+ 17.4
<u>Total Supply Available</u>	18,934	19,069	14,276	14,795	15,683	16,066	15,205	- 19.7
<u>Fresh exports for processing</u>	2,887	4,283	2,266	2,376	3,437	4,332	3,102	+ 7.5
<u>Total Domestic Disappearance</u>	16,047	14,786	12,010	12,419	12,246	11,734	12,103	- 24.6
<u>Consumed in processed form</u>	11,271	11,904	7,727	10,184	10,595	9,106	9,404	- 16.6
From domestic production	10,640	11,328	7,128	9,237	9,693	8,427	8,622	- 19.0
Imported	631	576	599	947	902	679	782	+ 23.9
Fresh	46	61 (c)	6	266 (c)	98 (c)	11	95	+106.5
Processed - frozen (b)	585	515	593	681	804	668	687 (c)	+ 17.4
<u>Fresh market consumption</u>	4,776	2,882	4,283	2,235	1,651	2,628	2,699	- 43.5
From domestic production	4,776	2,882	4,283	2,235	1,651	2,628	2,699	- 43.5
Imported	-	-	-	-	-	-	-	-

(a) Raspberries only.

(b) Converted to fresh equivalent on the basis of 1.05 lb. fresh per 1 lb. frozen product.

(c) Tariff Board estimate.

Source: Statistics Canada.



### CANADA-UNITED STATES COMPARISONS

Production of raspberries and loganberries in the United States is recorded only for Oregon and Washington, and it is believed that these two states account for a large proportion of total U.S. production of these fruits. Their combined output in 1971-74 averaged 27.3 million pounds (see Appendix Table 10). In Canada, by comparison, in 1974, production averaged just over half as much at 14.4 million pounds.

In 1971-74, the average U.S. farm value was 34.9 cents per pound (see Appendix Table 10) compared with 36.6 cents in Canada. In both countries farm values per pound rose sharply from 1971 to 1973 and subsequently declined. In the United States, prices doubled during that two-year period while in Canada they rose by about 60 per cent. The reason for the sharp rise in prices in both countries is attributable to the fact that manufacturers in the United States were building up stocks, and drew on Canadian and U.S. production for that purpose. Once this stockbuilding was completed, prices of raspberries and loganberries for processing dropped sharply in both United States and Canada. Prices of raspberries for the fresh market, a small segment of total demand, kept on rising. Any fluctuations in supply and demand are felt primarily in the much larger market for processing. Consequently, farm-gate prices for the fresh market and for processing which were the same in 1973, differed by more than two to one in 1975.

Yields in Washington, an average of 4,683 pounds during 1971-74, were somewhat less than in British Columbia; Oregon yields, 2,889 pounds, were substantially less. Yields elsewhere in Canada were much lower. However, the comparison between the United States and Canada is essentially between Oregon and Washington and British Columbia, which are the more efficient producers and account for most of the continent's processing requirements.

Higher yields in British Columbia are offset to a considerable extent by higher labour costs and also higher land costs. These costs, especially labour costs, have increased more rapidly in British Columbia than in the adjacent states, so that any advantage in total unit costs has been diminishing and may have disappeared with respect to growers in Washington whose yields are not much below those in British Columbia. In any event, because British Columbia growers are net exporters and because British Columbia processors always have access to alternative sources of supply, prices to growers in British Columbia will tend to follow prices just across the border.

### TARIFF CONSIDERATIONS

Fresh raspberries and fresh loganberries entering Canada, for fresh market consumption or for processing, are currently dutiable under tariff item 9210-1. This item is as follows:



	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Raspberries and loganberries ..... per pound	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 6 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.

In this form, the item is bound under GATT and has been in the Customs Tariff since June 1, 1950; the M.F.N. rate has not been changed since January 1, 1948, except that for the periods February 20, 1973 to June 30, 1974 and November 19, 1974 to June 30, 1977, the 10 p.c. alternative rates have been replaced by Free. The reductions since 1930 in the rates of duty under the Most-Favoured-Nation and General Tariff are shown in Table 3 which includes only those changes, by Statute or Trade Agreement, which affected applicable dates of duties. In the table, the rates shown are per cent ad valorem or cents per pound; when a period of weeks is shown below a rate, it indicates the maximum applicable period for that rate.

Table 3: Raspberries and Loganberries: Tariff History  
Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free	15 p.c.	20 p.c. (b)
1939, January 1 United States Trade Agreement		10 p.c.	
1948, January 1 GATT		2 cts. (c) (6 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	2 cts. (6 weeks) or 10 p.c. (d)	2 cts. (6 weeks) or 10 p.c. (d)

(a) Applicable to imports from the United States until Dec. 31, 1935.

(b) Not less than 3 cts., June 1 to July 31.

(c) Not applied until 1950.

(d) Temporarily suspended and replaced by free entry, by Statute, for periods Feb. 20, 1973 - June 30, 1974 and Nov. 19, 1974 - June 30, 1977.

Source: Canadian Customs Tariff.

When imported into the United States, Canadian-grown raspberries and loganberries, under items 146.54 and 146.56 of the Tariff Schedules of the United States, are admitted free of duty during the period July 1 to August 31 inclusive, and are dutiable at 0.3 cent per pound at other times.

The seasonal duty has been applied on only two occasions since 1965, once in the Maritimes and once in the western region. This infrequent application was most likely due to the fact that the minimum ad valorem duty of 10 per cent provided a greater degree of protection than the specific duty of 2 cents per pound. Appendix Table 9 shows that from 1966 to 1975 the ad valorem equivalent of the specific duty was below 10 per cent in each year. The table shows that, although the average annual f.o.b. price of imported raspberries and loganberries fluctuated somewhat, the average price rose from 23.9 cents per pound in 1966-70 to 30.2 cents per pound in 1971-74. As a result, the ad valorem equivalent of the specific duty declined from an average of 8.4 per cent in 1966-70 to 6.6 per cent in 1971-75.

Average f.o.b. import prices are not available separately for raspberries or loganberries. However, if farm values per pound in Canada were used as a proxy, they would indicate that the ad valorem equivalent of the specific duty on raspberries declined from about 9 per cent in 1966-70 to 5 per cent in 1971-74, and on loganberries from about 11 per cent to 8 per cent.

The Canadian Horticultural Council proposed that the rate under the British Preferential Tariff remain Free, but that the rate under the Most-Favoured-Nation and General Tariff be increased by  $\frac{1}{2}$  cent per pound from 2 cents to  $2\frac{1}{2}$  cents. The Council also proposed an increase in the minimum seasonal ad valorem rate from 10 per cent to 20 per cent and a doubling of the seasonal period from 6 weeks to 12 weeks. When the specific duty was not in effect raspberries and loganberries would be imported free of duty.

The Canadian Food Processors Association proposed that a separate tariff item be established for raspberries and loganberries when imported for use in manufacture, with a rate of 10 p.c. under all tariffs and a seasonal period of six weeks. Outside the seasonal period, raspberries and loganberries would be imported free of duty.

In 1974, on the basis of an f.o.b. import price of 32.4 cents per pound for raspberries and loganberries (see Appendix Table 9), the specific duty of  $2\frac{1}{2}$  cents per pound proposed by the Council would be equivalent to an ad valorem rate of 7.7 per cent. However, the Council has also proposed a minimum ad valorem rate of 20 per cent, and it is evident that this rate would become applicable at this time. In fact, the ad valorem minimum rate would become generally applicable at an f.o.b. import price of only 12.5 cents per pound.

It should be noted that the 20 per cent ad valorem rate levied on the average f.o.b. import price for 1974 would be equal to a specific rate of 6.5 cents per pound, or more than three times the existing specific rate. Relative to the 10 p.c. off-season rate, the effective rate during the past decade, the proposed minimum ad valorem would constitute a doubling in the level of protection.

The proposal to drop the off-season duty of 10 p.c. and to increase the seasonal duty period from six to 12 weeks, thus creating a 40-week duty-free period would have little impact on consumers. Fresh imports, an average of 78,000 pounds annually in 1971-75, are very small and are concentrated during the Canadian production season, because the U.S. season is practically the same. There are no imports during the off-season.

The data on f.o.b. prices of imports cannot be broken down separately for raspberries and loganberries. However, in Tables 1a and 1b there are separate farm values per pound for raspberries and loganberries. In 1974, these farm values per pound were not significantly different. Thus, if it is assumed that f.o.b. import prices bear some relationship to average farm values per pound, then it appears that any tariff rate recommended would have roughly the same impact on each fruit.

It should also be noted that all imports of raspberries and loganberries in 1974 were for processing, and that the f.o.b. price of fruit for processing is usually somewhat lower than that of fruit for fresh market consumption. Therefore, under the Council's proposal, a 20 p.c. minimum seasonal rate would have a higher specific value for imports for fresh market consumption than those for processing.

In summary, the Council's proposal would mean a doubling from 10 per cent to 20 per cent in the existing ad valorem rate of duty imposed on raspberries and loganberries. The proposed specific rate would be irrelevant because it would be effective only if the f.o.b. price of imports was less than 12.5 cents per pound; in 1974 it was 32.4 cents.

At the public sittings, a representative of the Council indicated that an increase in the seasonal period was being proposed because new varieties of raspberries required a longer period of time to grow. However, there was no evidence that the harvesting period of either raspberries or loganberries in any one tariff region had exceeded six weeks.

The proposal by the Canadian Food Processors Association for a separate tariff item for raspberries and loganberries, imported for use in manufacture, deserves some consideration. The f.o.b. import price of fruit for processing is usually lower; in 1975, by more than 50 per cent. Therefore, the 2½-cent specific duty recommended by the Council would have an ad valorem equivalent well above that for the higher-valued fresh market imports, while the proposed 20 per cent minimum would have a much lower specific duty equivalent for imports for processing. There would appear, then, to be a basis for differential tariff treatment with respect to end-use.

On the other hand, imports of raspberries and loganberries are mostly for processing. Canadian imports of these fruits for the fresh market are believed to be small. Even imports for processing averaged only 95,000 pounds in 1971-74. This represented 0.7 per cent of domestic production and 1.0 per cent of consumption in processed form. On this basis, it can be argued that the introduction of a separate item would be of little use.

### CONCLUSIONS

Domestic growers supply almost 99 per cent of fresh market consumption of raspberries and loganberries and 92 per cent of the supplies for processing. Canada, more specifically British Columbia, with adjacent Washington and Oregon form the major producing area in North America. The industry remains a sizable net exporter; imports are very small. Production in Canada has dropped, reflecting diminishing fresh market consumption. Yields in British Columbia are higher than those in the adjacent states although this advantage has probably been offset by higher costs with respect to Washington growers. Growers in eastern Canada clearly cannot compete with producers on the Pacific coast, but it is likely that growers in the eastern United States face the same disadvantage.

The Board concludes, therefore, that the competitive position of Canadian growers remains strong and that a small reduction in the basic level of protection would not injure this industry. Therefore, the Board recommends a specific duty of  $2\frac{1}{2}$  cents per pound and a minimum ad valorem rate of  $7\frac{1}{2}$  per cent under the Most-Favoured-Nation and General Tariff. These duties would be applicable only during the current maximum period of six weeks. The Board is of the opinion that this period need not be extended and that imports outside this seasonal period should enter free of duty. Imports from countries accorded British preferential status are virtually non-existent and it is the Board's view that the existing free provision should remain unchanged. A separate item for fresh raspberries and loganberries for processing is not necessary at this time, because such imports are relatively minor. These imports would, therefore, continue to be classified with fresh market fruit.

### RECOMMENDATIONS

The Board recommends that the existing schedule under tariff item 9210-1 be deleted and that the following schedule be inserted:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Raspberries and logan- berries ..... per pound	Free	$2\frac{1}{2}$ cts. but not less than $7\frac{1}{2}$ p.c., or Free	$2\frac{1}{2}$ cts. but not less than $7\frac{1}{2}$ p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 6 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.



Appendix Table 1

Raspberries: Acreage and Number of Farms, by  
Province and Region, 1961 and 1971

	1961		1971		No. of Farms Reporting
	No. of Acres	Acreage as % of Total	No. of Acres	Acreage as % of Total	
Atlantic Region	85	1.5	96	2.2	123
Nfld.	1	*	1	*	1
P.E.I.	8	0.1	5	0.1	7
N.S.	33	0.6	63	1.5	66
N.B.	43	0.7	27	0.6	49
Central Region	3,831	66.8	1,864	43.5	1,797
Que.	1,321	23.0	881	20.5	795
Ont.	2,510	43.7	983	22.9	1,002
Western Region	1,823	31.8	2,327	54.3	1,062
Man.	98	1.7	68	1.6	101
Sask.	38	0.7	40	0.9	49
Alta.	71	1.2	39	0.9	34
B.C.	1,616	28.2	2,180	50.8	878
Canada <sup>(a)</sup>	5,739	100.0	4,288	100.0	2,983

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Appendix Table 2

Raspberries and Loganberries: Imports by Country  
of Origin, 1966-1975

Year	United States	New Zealand	Total
- thousand pounds -			
1966	4	-	4
1967	6	-	6
1968	17	-	17
1969	63	-	63
1970	214	-	214
Average 1966-70	61	-	61
1971	6	-	6
1972	266	-	266
1973	97	1	98
1974	11	-	11
1975	6	-	6
Average 1971-75	77	*	78

Source: Customs documents, tabulated by Statistics Canada.

Appendix Table 3

Raspberries and Loganberries: Imports by Month,  
1966-70 to 1975

Month	Average 1966-70	%	Average 1971-75	%	1971	1972	1973	1974	1975
- thousand pounds -									
Jan.	-	-	-	-	-	-	-	-	-
Feb.	-	-	-	-	-	-	-	-	-
Mar.	-	-	*	0.1	-	-	1	-	-
Apr.	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-
June	4	6.2	2	2.8	4	5	1	2	-
July	42	68.3	34	44.0	3	162	4	1	2
Aug.	15	24.8	38	49.2	-	100	90	1	*
Sept.	*	0.1	1	1.8	-	-	3	2	2
Oct.	*	0.6	1	1.7	-	-	*	4	2
Nov.	-	-	*	0.4	-	-	-	1	-
Dec.	-	-	-	-	-	-	-	-	-
Total	61	100.0	78	100.0	6	266	98	11	6

Source: Customs documents, tabulated by Statistics Canada.



Appendix Table 4

Raspberries: Exports by Country of Destination, 1966-1975

<u>Year</u>	<u>United States</u>	<u>Total</u>
- thousand pounds -		
1966	4,968	4,969
1967	4,440	4,440
1968	4,428	4,428
1969	5,141	5,142
1970	2,435	2,435
Average 1966-70	4,283	4,283
1971	2,266	2,266
1972	2,376	2,376
1973	3,437	3,437
1974	4,332	4,332
1975	2,981	2,981
Average 1971-75	3,078	3,078

Source: Statistics Canada.

Appendix Table 5

Raspberries: Exports by Month, 1966 to 1975

<u>Month</u>	<u>Average 1966-70</u>	<u>Average 1971-75</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
- thousand pounds -							
Jan.	-	-	-	-	-	-	-
Feb.	-	*	1	-	-	-	-
Mar.	-	-	-	-	-	-	-
Apr.	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-
June	19	3	-	13	-	-	-
July	3,333	1,447	1,398	1,372	1,285	2,589	590
Aug.	800	1,616	867	991	2,152	1,743	2,328
Sept.	130	13	-	-	-	-	64
Oct.	1	-	-	-	-	-	-
Nov.	-	-	-	-	-	-	-
Dec.	-	-	-	-	-	-	-
Total	4,283	3,078	2,266	2,376	3,437	4,332	2,981

Source: Statistics Canada.

Appendix Table 6

Raspberries: Exports by Province and Region, 1972-1975

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -			
Atlantic Region	-	39	-	-
N.B.	-	39	-	-
Central Region	18	5	8	3
Que.	5	5	-	-
Ont.	13	-	8	3
Western Region	2,358	3,393	4,324	2,979
B.C.	2,358	3,393	4,324	2,979
Canada	2,376	3,437	4,332	2,981

Source: Statistics Canada.

Appendix Table 7

Raspberries: Weekly Wholesale to Retail Prices at  
Halifax, Montreal and Toronto, 1974

<u>Week Ending</u>	<u>Halifax</u>	<u>Montreal</u>	<u>Toronto</u>
	<u>N.S.</u>	<u>Que.</u>	<u>Ont.</u>
	Flat 12 pt. (7.5 lb.)	Tray 12 pt. (7.5 lb.)	Flat 12 pt. (7.5 lb.)
	- cents per pound -		
July 19		121.1	
26		124.7	
Aug. 2		94.0	102.0
9	112.0	92.0	108.4
16	112.0	100.0	103.3
23	112.0		
30	112.0		

Source: Agriculture Canada.

Raspberries and Loganberries: Dates of Application and Removal of the Seasonal,  
Specific Duty by Tariff Region, 1966 to 1975

Year (a)	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	-	-	-	-	-	-
1967	-	-	-	-	-	-	-	-	-
1968	-	-	-	-	-	-	-	-	-
1969	-	-	-	-	-	-	-	-	-
1970	July 24	Sept. 3	41	-	-	-	-	-	-
1971	-	-	-	-	-	-	-	-	-
1972	-	-	-	-	-	-	-	-	-
1973	-	-	-	-	-	-	July 24	Sept. 4	42
1974	-	-	-	-	-	-	-	-	-
1975	-	-	-	-	-	-	-	-	-

(a) Government fiscal year commencing April 1; ending March 31 of following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.



Raspberries and Loganberries: Acreage, Production, Yield per Acre, Farm Value and Farm Value per Pound, United States, by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Acreage -					
Oregon	5,900	5,030	4,290	4,270	4,873
Washington	2,840	2,730	2,830	2,440	2,710
Total	8,740	7,760	7,120	6,710	7,583
- Production, '000 lb. -					
Oregon	16,610	14,224	13,533	13,893	14,565
Washington	13,612	12,064	13,641	11,450	12,692
Total	30,222	26,288	27,174	25,343	27,257
- Average Yield, lb. -					
Oregon	2,815	2,828	3,155	3,254	2,989
Washington	4,793	4,419	4,820	4,693	4,683
Total	3,458	3,388	3,817	3,777	3,594
- Farm Value, \$'000 -					
Oregon	3,869	4,868	6,934	5,063	5,184
Washington	3,255	3,799	5,935	4,279	4,317
Total	7,124	8,667	12,869	9,342	9,501
- Farm Value, ¢ per lb. -					
Oregon	23.3	34.2	51.2	36.4	35.6
Washington	23.9	31.5	43.5	37.4	34.0
Total	23.6	33.0	47.4	36.9	34.9

Source: U.S. Department of Agriculture.



STRAWBERRIESTable of Contents

	<u>Page</u>
Growing, Harvesting and Marketing .....	391
Acreage, Production and Farm Value .....	392
Supply and Disposition .....	394
Imports .....	400
Exports .....	401
Prices .....	401
Canada-United States Comparisons .....	403
Tariff Considerations .....	404
Conclusions .....	408
Recommendations .....	410
Appendix: Tables .....	411





## STRAWBERRIES

Strawberries are of the genus Fragaria and are native to the temperate regions of the old and new worlds. In North America, a native species, F. virginiana was found by the early settlers along the eastern seaboard of the United States and in the north-eastern part of the continent. Another native species F. chiloensis, was found along the west coast of North America and in the Andes mountains of southern Chile.

The cultivation of strawberries occurred relatively recently compared with other fruits and started in Europe during the 15th century. Several species were grown but perhaps the most extensive was F. vesca.

Both native American species were taken to Europe and have displaced most of the old species there. Thus the modern garden strawberry in North America and Europe is a hybrid of F. virginiana and F. chiloensis.

New varieties have been introduced periodically. In Canada in recent years, the Redcoat has been the predominant variety east of Manitoba while in British Columbia it has been the Northwest.

Strawberries are an important crop in Canada. The annual average farm value in 1971-74 was \$9.4 million. Per capita consumption has increased slightly in recent years to an annual average of 3.4 pounds in 1971-74.

## GROWING, HARVESTING AND MARKETING

Strawberries thrive in many different climates and soils. In Canada, they are grown commercially in British Columbia, Ontario, Quebec, and the Maritimes. The production season lasts for roughly six weeks from about June to early August depending on the region.

Strawberries are not harvested in the year in which they are planted. The plants propagate by runners (stolons) and, in the second year, when their numbers are greatly increased, they are harvested for the first time. Old plantings are usually plowed under after the second or third harvest. Because disease is a serious problem, the soil is treated to kill organisms before planting certified virus-free plants.

California and Mexico grow everbearing varieties that produce two or three crops a year. Canada, on the other hand, has only one crop. The production season in California runs from about late January to November and in Mexico from October to May.

Harvesting is highly labour-intensive and up to 10 workers per acre are required at the peak of production. Since strawberries become overripe quickly, a large number of seasonal workers are required for harvesting. Furthermore, the fruit is so fragile that no satisfactory method has been found as yet to harvest it mechanically. In recent years, some growers have stopped producing because of the cost and difficulty of obtaining labour.

Strawberries are marketed in many ways. In British Columbia and Ontario, there are marketing boards; in Quebec, there are grower co-operatives. These two bodies handle the majority of sales to the fresh market and to processors. Some growers sell directly to consumers, to retail stores, or in bulk to wholesalers. In recent years, a number of growers have been offering strawberries on a "pick-your-own" basis. The grower provides a field of strawberries while the customer provides the labour.

When sold directly to consumers or retail stores, the fruit may be sorted on the farm into pint and quart containers. These are often made of plastic with perforated sides and bottom to permit air to circulate around the strawberries. Some retailers cover the tops of the baskets with a transparent film that is kept in place by an elastic band. The film permits a customer to see the contents and to examine the strawberries without spilling them. Other retailers cover the entire basket with film.

Harvesting costs of strawberries for processing are less than those for fresh market use. For processing, only ripe berries are required; for the fresh market, the fruit must be relatively immature. As a consequence, berries for processing are subject to fewer pickings, resulting in substantial savings. The cost of selling to the fresh market is also higher because of the outlay for containers. In addition, the amount of marketable fruit is probably somewhat larger when berries are sold for processing.

The major variety grown in the central and Maritime regions - the Redcoat - is not suited for processing because it is difficult to hull. In contrast, the major variety grown in British Columbia - the Northwest - is easily hulled as it is picked.

Fresh strawberries are not usually stored commercially but when they are, the maximum time is about 10 days at a temperature below 4°C (around 0°C is best).

#### ACREAGE, PRODUCTION AND FARM VALUE

According to the 1971 Census, strawberries were being grown in every province (see Appendix Table 1). Total acreage in that year was slightly lower than in 1961 and the number of farms had declined sharply. As a result, the average farm in 1971 had 2.4 acres under cultivation or double the average of ten years earlier. Farms in British Columbia, with an average of 5.2 acres under cultivation, were much larger than those in other provinces. The small acreages suggest that many growers do not depend entirely on this crop for their livelihood but as a means of supplementing their income from other activities and sources.

Table 1 shows that annual average production increased by 6.7 per cent between 1961-65 and 1971-74, from 32.0 million pounds to 34.2 million pounds. However, the last figure was about one-fifth less than in 1966-70 when annual production averaged 41.6 million pounds.

Table 1: Strawberries: Production, Farm Value and Farm Value per Pound, by Province, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
P.E.I.	2,025	1,623	2,100	338	624	1,500	1,140	-43.7
N.S.	2,575	2,924	3,124	1,500	1,876	2,000	2,125	-17.5
N.B.	1,800	2,099	2,168	962	1,532	300	1,240	-31.1
Que.	6,158	9,488	9,788	6,124	8,638	8,538	8,272	+34.3
Ont.	8,513	11,432	14,018	11,486	10,986	11,036	11,882	+39.6
B.C.	10,953	14,060	13,700	8,208	7,102	9,092	9,526	-13.0
Canada	32,024	41,626	44,898	28,618	30,758	32,466	34,185	+ 6.7
- Farm Value, \$'000 -								
P.E.I.	338	301	437	97	175	444	288	-14.8
N.S.	498	635	775	492	570	704	635	+27.5
N.B.	381	489	624	323	588	134	417	+ 9.4
Que.	1,244	2,094	2,132	1,785	2,557	3,005	2,370	+90.5
Ont.	1,707	2,748	3,067	2,985	3,334	3,737	3,281	+92.2
B.C.	1,947	2,791	2,434	1,956	2,270	3,021	2,420	+24.3
Canada	6,115	9,058	9,469	7,638	9,494	11,045	9,412	+53.9
- Farm Value, ¢ per lb. -								
P.E.I.	16.7	18.5	20.8	28.7	28.0	29.6	25.3	+51.5
N.S.	19.3	21.7	24.8	32.8	30.4	35.2	29.9	+54.9
N.B.	21.1	23.3	28.8	33.6	38.4	44.7	33.6	+59.2
Que.	20.2	22.1	21.8	29.1	29.6	35.2	28.6	+41.6
Ont.	20.1	24.0	21.9	26.0	30.3	33.9	27.6	+37.3
B.C.	17.8	19.8	17.8	23.8	32.0	33.2	25.4	+42.7
Canada	19.1	21.8	21.1	26.7	30.9	34.0	27.5	+44.0

Source: Statistics Canada.

In 1971-74, British Columbia, Ontario, and Quebec divided Canadian output about equally. However, there has been an increasing concentration of production in central Canada. Between 1961-65 and 1971-74, Ontario's share of total Canadian production rose from 8.5 million pounds to 11.9 million pounds or from 26.6 per cent to 34.8 per cent and Quebec's share, from 6.2 million pounds to 8.3 million pounds or from 19.2 per cent to 24.2 per cent. Production in all other provinces during this period declined, notably in British Columbia where it dropped from 11.0 million pounds or 34.2 per cent to 9.5 million pounds or 27.9 per cent.

The annual average farm value of strawberries rose from \$6.1 million in 1961-65 to \$9.4 million in 1971-74, an increase of just under 54 per cent. This was almost entirely attributable to the rise in the average price per pound. The value of the strawberry crop increased during the period under review in all provinces except Prince Edward Island.

The average annual farm value per pound of strawberries rose from 19.1 cents in 1961-65 to 27.5 cents in 1971-74. On a regional basis, average farm values per pound in 1971-74 ranged from 33.6 cents in New Brunswick to 25.3 cents in Prince Edward Island.

#### SUPPLY AND DISPOSITION

Table 2 shows that the total annual supply of strawberries averaged 77.5 million pounds in 1971-74, an increase of 23.5 per cent above the annual average of 62.7 million pounds in 1961-65. Domestic production, as noted earlier, rose from an annual average of 32.0 million pounds in 1961-65 to 34.2 million pounds in 1971-74, an increase of 6.7 per cent.

In 1971-74, Canada imported on average an annual volume of 43.3 million pounds of strawberries or about 41.1 per cent more than in 1961-65. As a result of the more rapid rise in imports than in domestic production, imports accounted for 55.9 per cent of total supply in 1971-74 compared with 48.9 per cent in 1961-65 (see Appendix Table 2). The increase in imports has been particularly rapid since 1972; in 1974, they accounted for 62.6 per cent of total supply.

The composition of imports, however, has changed. The proportion which entered in fresh form fell to 58.4 per cent of total imports in 1971-74 from 67.5 per cent in 1961-65. Moreover, in recent years, an increasing quantity of fresh strawberry imports was destined for domestic fresh market consumption rather than for processing. In 1971-74, 21.7 million pounds or 85.7 per cent of imported fresh strawberries were destined for fresh market consumption. This compares with 13.7 million pounds or 65.9 per cent in 1961-65.

Over the review period, imports of frozen strawberries for reprocessing into jams, ice-cream and baked goods, rose by 88.6 per cent from 8.5 million pounds to 16.0 million pounds. The bulk of these berries entered central Canada. The widespread introduction of the "Redcoat" in Ontario and Quebec, a variety better suited for the fresh market than for processing, has led processors in those provinces to depend largely on semi-processed frozen imports.

Small, but increasing quantities of strawberries are imported in sulphur dioxide (SO<sub>2</sub>) as are jams and jellies. Total imports in those forms rose from an estimated annual average of 1.5 million pounds in 1961-65 to 2.0 million pounds in 1971-74. Imports of berries in SO<sub>2</sub> are used only for further processing. The SO<sub>2</sub> bleaches the fruit and colour must be added to the processed products.

Since the volume of strawberries exported was small during the review period, domestic supply and consumption were virtually the same. Exports averaged 1.2 million pounds in 1971-74, or 3.5 per cent of total domestic production, compared with 0.4 million pounds in 1961-65, or 1.4 per cent of domestic production. The bulk of exports were in fresh form but, in recent years, exports in brine have increased (see Table 2).

Table 2: Strawberries: Supply and Disposition, Canada, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
<u>Total Production</u>	32,024	41,626	44,898	28,618	30,758	32,466	34,185	+ 6.7
<u>Total Imports</u>								
Fresh	30,685	30,801	31,423	41,394	45,993	54,351	43,291	+41.1
Processed (frozen) (a)	20,713	17,528	19,436	24,146	26,329	31,283	25,299	+22.1
Processed (in SO2 for processing) (d)	8,484	11,336	9,973	15,390	17,744	20,897	16,001	+88.6
Processed (jams and jellies, etc.) (d)	1,280	1,707	1,611	1,513	1,554	1,779	1,614	+26.1
	208	230	403	345	366	392	377	+81.3
<u>Total Supply Available</u>	62,709	72,427	76,321	70,012	76,751	86,817	77,476	+23.5
Available for processing or imported processed	30,798	33,151	30,497	26,974	31,668	37,437	31,645	+ 2.8
From domestic production	13,766	15,992	16,668	6,189	7,584	9,682	10,031	-27.1
Imported processed and semi- processed	9,972	13,273	11,987	17,248	19,664	23,068	17,992	+80.4
Fresh for processing	7,060	3,886	1,842	3,537	4,420	4,687	3,622	-48.7
Available for fresh market	31,911	39,276	45,824	43,038	45,083	49,380	45,831	+43.6
From domestic production	18,258	25,634	28,230	22,429	23,174	22,784	24,154	+32.3
Imported	13,653	13,642	17,594	20,609	21,909	26,596	21,677	+58.8



Table 2: Strawberries: Supply and Disposition, Canada, 1961-1974 (concl.)

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
				- '000 lb. -				
Total Exports								
Fresh(b)	447	1,695	1,957	1,134	1,203	475	1,192	+166.7
Frozen(c)	313	1,559	1,602	738	504	144	747	+138.7
In brine(c)	95	80	42	109	81	91	81	- 14.7
	39	56	313	287	618	240	364	+833.3
Total Domestic Disappearance	62,262	70,732	74,364	68,878	75,548	86,342	76,284	+ 22.5
Consumed in processed form	30,664	33,015	30,142	26,578	30,969	37,106	31,200	+ 1.7
From domestic production	13,632	15,856	16,313	5,793	6,885	9,351	9,586	- 29.7
Imported								
Fresh for processing	7,060	3,886	1,842	3,537	4,420	4,687	3,622	- 48.7
Processed	9,972	13,273	11,987	17,248	19,664	23,068	17,992	+ 80.4
Fresh market consumption	31,598	37,717	44,222	42,300	44,579	49,236	45,084	+ 42.7
From domestic production	17,945	24,075	26,628	21,691	22,670	22,640	23,407	+ 30.4
Imported	13,653	13,642	17,594	20,609	21,909	26,596	21,677	+ 58.8

(a) Converted to fresh equivalent on the basis of .081 lb. fresh per 1 lb. frozen product.

(b) Based on United States unloads from Canada, except for 1961 and 1962.

(c) United States imports from Canada conversion factor same as footnote (a).

(d) Tariff Board estimates.

Source: Derived from Statistics Canada, Agriculture Canada and various U.S. publications.



Domestic consumption rose from an annual average of 62.3 million pounds in 1961-65 to 76.3 million pounds in 1971-74, an increase of 22.5 per cent. During the same period, the proportion consumed in fresh form rose from 50.7 per cent to 59.1 per cent. However, the share of the fresh market supplied by domestic growers fell to 51.9 per cent in 1971-74 from 63.8 per cent in 1966-70 and 56.8 per cent in 1961-65.

Consumption of strawberries in processed form has hardly risen at all. In 1961-65, the annual average was 30.7 million pounds; in 1971-74, it was 31.2 million pounds. However, the composition and source have changed. An increasing proportion of the fruit used in Canada for processing is being imported semi-processed, mainly in frozen form. In 1971-74, an annual average of 18.0 million pounds of processed and semi-processed strawberries was imported, an increase of 80.4 per cent from the 10.0 million pounds in 1961-65. Over the same period, fresh strawberries imported for processing fell by 48.7 per cent from 7.1 million pounds to 3.6 million pounds. As a result, in 1971-74, imported processed and semi-processed fruit accounted for 57.7 per cent of domestic consumption in processed form compared with 32.5 per cent in 1961-65.

Sales of domestic berries for processing fell to an annual average of 9.6 million pounds in 1971-74 from 15.9 million pounds in 1966-70 and 13.6 million pounds in 1961-65. Table 3 shows sales of domestic strawberries for processing by regions and for Canada. Since the data include the small amount of exports, figures are not identical to those above for domestically grown strawberries consumed in processed form. Nevertheless, they are quite close.

All provinces shared in the decline. British Columbia, as the most important supplier of berries for processing, accounted for 83.7 per cent of the total in 1971-74. However, sales to processors by British Columbia growers declined sharply in recent years from 13.4 million pounds in 1966-70 to 8.4 million pounds in 1971-74. When individual years are considered, the decline was even sharper. Sales dropped from 18.1 million pounds in 1970 to 8.2 million pounds in 1974 (see Table 3). Ontario sales to processors plummeted from 1.4 million pounds in 1966 to less than 100,000 pounds in 1974.

A comparison of Tables 1 and 3 indicates that in 1971-74 just over 38 per cent of British Columbia's production was sold for processing. In the Atlantic Provinces, the proportion was about 20 per cent while in Ontario and Quebec it was negligible.

Table 3: Strawberries: Sales of Domestic Strawberries for Processing, Canada and Regions, 1966-1974

	<u>Atlantic Provinces</u>	<u>Quebec</u>	<u>Ontario</u>	<u>Prairie Provinces</u>	<u>British Columbia</u>	<u>Canada</u>
	- '000 lb. -					
1966	1,058	859	1,397	-	13,783	17,097
1967	1,610	808	422	-	16,601	19,441
1968	1,363	(a)	(a)	-	13,163	15,374
1969	1,334	707	826	-	5,416 <sup>(b)</sup>	8,283
1970	773	665	201	-	18,127	19,765
Average 1966-70	1,228	760 <sup>(c)</sup>	712 <sup>(c)</sup>	-	13,418	15,992
1971	1,176	891	(a)	(a)	14,008	16,668
1972	154	338	(a)	(a)	5,265	6,189
1973	1,168	(a)	(a)	(a)	6,122	7,584
1974	1,281	(a)	(a)	(a)	8,174	9,682
Average 1971-74	945	615 <sup>(d)</sup>	(a)	(a)	8,392	10,031

(a) Confidential, included in Canada total.

(b) Crop failure.

(c) Four-year average excluding 1968.

(d) Two-year average excluding 1973 and 1974.

Source: Statistics Canada.

The trend toward the consumption of fresh strawberries instead of those in processed form has had important implications for particular growing areas. In British Columbia, where most are sold for processing, the province is limited to some extent in the amount of strawberries it can grow for the fresh market. This is due mainly to its harvesting season which corresponds roughly with that in Ontario and Quebec, and to transportation and distribution costs which make it difficult to compete in those markets during the local harvesting season. Some British Columbia strawberries are shipped to the Prairie Provinces for the fresh market but the quantity is small. These provinces depend largely on U.S. imports even at the peak of the harvesting season in British Columbia and Ontario (see Appendix Table 9b).

In other provinces, however, most of the strawberries go to the fresh market. And while growers in Ontario and Quebec lost a market for about 650,000 pounds of strawberries for processing between 1966-70 and 1971-74, annual sales to the fresh market remained unchanged at about 19.5 million pounds.

The increasing consumption of fresh strawberries, especially during the domestic harvesting season, should benefit growers in Ontario and Quebec. On the other hand, the virtually static market for strawberries in processed form does not augur well for recovery in production in British Columbia since almost 90 per cent of its production is for that market.

Of course, a market for strawberries for processing is also important to growers in Quebec, Ontario, and the Atlantic Provinces, particularly in years when large crops tend to depress fresh berry prices. On the other hand, processors cannot exist if their visible supply is only sporadic and comprises only what is surplus to the fresh market.

Appendix Table 3 shows domestic shipments are concentrated in June and July (97.1 per cent in 1974) with a relatively small amount being shipped in August. Thus, from September to May, imports supply the entire fresh market (see Appendix Table 4).

It is evident that increasing amounts of fresh berries are being consumed in the off-season (see Table 4). In 1961-65, an annual average of 8.7 million pounds were consumed in the off-season and, in 1971-74, this rose to 16.6 million pounds. As a result, in 1971-74 about 37 per cent of all fresh berries were consumed in the off-season compared with about 28 per cent in 1961-65.

On-season consumption of fresh berries has also been increasing and domestic producers have been able to maintain their share of the on-season fresh market. The imports share of this market declined slightly from 21.9 per cent in 1961-65 to 18.5 per cent in 1971-74. Domestic growers have been able to hold their market because of the high transportation costs on imports. This is elaborated on in a later section.

In summary, during the review period, Canadian producers lost part of their share of the fresh and processing markets to imports. The decline in the fresh market was less than that in the processing market. The production of strawberries for processing is of great importance to growers in British Columbia and of less importance to growers in Ontario, Quebec, and the Atlantic Provinces. In central Canada, virtually the entire crop is grown for fresh consumption. However, the processing market is still needed when bumper crops occur or for berries which are unsuitable for fresh market sales.

Table 4: Strawberries: Fresh Production, Fresh Imports  
and Fresh Consumption, Averages,  
1961-65 to 1971-74

	<u>Average</u> <u>1961-65</u>	<u>Average</u> <u>1966-70</u>	<u>Average</u> <u>1971-74</u>
- '000 lb. -			
<u>Production</u>			
On-season (a)	17,865	23,934	23,232
Off-season (b)	<u>80</u>	<u>140</u>	<u>175</u>
Total	17,945	24,075	23,407
<u>Imports</u>			
On-season (a)	5,010	3,788	5,288
Off-season (b)	<u>8,643</u>	<u>9,854</u>	<u>16,388</u>
Total	13,653	13,642	21,677
<u>Consumption</u>			
On-season (a)	22,875	27,722	28,520
Off-season (b)	<u>8,723</u>	<u>9,994</u>	<u>16,563</u>
Total	31,598	37,717	45,084
<u>Imports as % of</u> <u>Consumption</u>			
On-season (a)	21.9	13.7	18.5
Off-season (b)	99.1	98.6	98.9
Total	43.2	36.2	48.1

(a) June and July marketing season.

(b) January-May and August-December.

Source: Derived from Statistics Canada and Agriculture Canada data.

#### IMPORTS

Canada imported an annual average of 43.3 million pounds of strawberries in 1971-74, or about 40 per cent more than in the previous five-year period. Just over 58 per cent of total imports in 1971-74 or 25.3 million pounds were in fresh form, compared with 20.7 million pounds in 1961-65 (see Table 2).

In 1971-75, about 93 per cent of all imports of fresh berries originated in the United States (see Appendix Table 5). Most of the remainder came from Mexico. In earlier years, an even higher percentage came from the United States. However, this proportion has declined in recent years with larger imports from Mexico.

The main U.S. source of imports is California. In 1974, that state accounted for 98.9 per cent of all fresh berries imported into Canada from the United States (see Appendix Table 8). Most of these imports went to Ontario and Quebec. In 1975, 17.9 million pounds or about two-thirds of all imports of fresh strawberries went to those two provinces (see Appendix Table 6). The western region,

during the same year, accounted for 8.4 million pounds or just over 31 per cent of all imports, and the Atlantic region for about 2 per cent. The figures include imports for domestic fresh consumption and for processing. However, virtually all imports into the Atlantic and western regions are for the domestic fresh market. In the central region, a significant proportion of fresh imports are for processing.

About one-quarter of fresh strawberry imports arrive in Canada in June and July, roughly during the main domestic production season (see Appendix Table 4). However, it appears from Appendix Tables 9a and 9b that imports enter the Atlantic and central regions early in the season, before local supplies are available and again after harvesting has been completed. Ordinarily there are no imports of fresh berries during the first three weeks of July in those two regions. In the western region, there are imports all year.

### EXPORTS

The only export data available relate to shipments to the United States. As estimated in Table 2, exports of fresh strawberries averaged 747,000 pounds in 1971-74 compared with 313,000 pounds in 1961-65.

### PRICES

The average Canadian farm price per pound for strawberries increased from 19.1 cents in 1961-65 to 27.5 cents in 1971-74 (see Table 1). Domestic berries sold to the fresh market usually brought a higher price than those sold for processing. However, in recent years, there has been a sharp increase in the price of processing berries, to the point where, in 1974, it exceeded that of fresh market berries (see Table 5).

Table 5: Strawberries: Estimated Prices, Domestic Strawberries Sold for Processing and Strawberries Sold on the Fresh Market, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- ¢ per lb. -					
Sold for processing	19.6	18.7	22.4	30.0	35.2	25.4
Sold to fresh market <sup>(a)</sup>	23.1	22.5	27.9	31.1	33.5	28.4
Total Production	21.8	21.1	26.7	30.9	34.0	27.5

(a) Includes exports, principally fresh market sales to the United States.

Source: Derived from Statistics Canada data.

The price of processing berries largely reflects what growers in British Columbia received, since that province accounts for more than 80 per cent of all domestic fresh berries sold for processing. Similarly, the fresh market price is a good indication of Ontario and Quebec farm values.

Prices of domestic berries for processing could be influenced by inventories of frozen berries in Mexico and the United States. Large inventories are likely to have a depressing effect on Canadian prices as the landed cost of imported frozen strawberries tends to impose a ceiling on prices paid to local growers.

Appendix Tables 9a and 9b show significant variations in 1974, in wholesale-to-retail prices of strawberries for domestic fresh consumption. Canadian-produced berries were cheapest followed by those from Mexico and the United States, in that order. The highest prices were paid generally in March and April for California berries, and in November for Mexican berries. Prices were at their lowest in June and July when the domestic crop was being harvested. Halifax had the highest prices of any Canadian city.

The seasonal decline in prices is directly related to the volume of arrivals at major markets. As Appendix Table 9a indicates, prices of domestic berries for fresh consumption are highest about mid June - the beginning of the domestic marketing season. They decline rapidly in the next few weeks then begin to rise again toward the end of the season in mid July.

Interprovincial shipments of berries for fresh consumption appear to be small. Some occur from Ontario to Quebec and to the Maritimes. Winnipeg and Vancouver have had no quotations for domestic berries for fresh consumption.

Table 6 presents some information on landed costs of imports in Toronto, Montreal, Winnipeg, and Vancouver in 1972-1974. More complete data can be found in Appendix Tables 10a and 10b.

Table 6: Strawberries: Landed Costs of Imported Strawberries in Toronto, Montreal, Winnipeg, and Vancouver, 1972-1974

		Cost f.o.b.	Freight, Brokerage, etc.	Duty	Total Landed Cost
- range in ¢ per lb. -					
Toronto	1972	23.1-36.3	8.6-9.0	Free - 3.6	34.0-48.5
	1973	22.2-33.0	9.0	Free	31.2-42.0
	1974	26.7-49.3	9.5-10.8	Free - 4.8	38.2-62.4
Montreal	1974	23.8-45.8	9.3-21.3	Free - 2.9	35.5-55.1
Winnipeg	1974	27.1-54.2	5.8-7.4	Free - 4.8	35.6-61.1
Vancouver	1974	24.2-53.8	2.8-6.9	Free - 5.0	31.2-58.0

Source: Appendix Tables 10a and 10b.



It can be seen that freight, brokerage and other associated transport costs on imports vary significantly from market to market but were much higher than the cost of duty in all regions except Vancouver. In 1974, freight and duty costs added from 2.8 to 21.3,<sup>(1)</sup> depending on the city, to the f.o.b. cost of a pound of strawberries. In 1974, this protection varied by city from just over 20 per cent to just over 70 per cent during the main production period in Canada (see Appendix Tables 10a and 10b). "Freight" protection is lowest for the Vancouver market and highest for Montreal. As Table 6 shows, some freight costs to Toronto have risen from 8.6 cents in 1972 to 9.5 cents in 1974. The protection provided by freight costs to domestic growers has tended to increase somewhat during recent years. In the case of inter-provincial shipments, freight costs have to be borne by domestic growers, and thus the protection afforded by freight on imports is reduced.

#### CANADA-UNITED STATES COMPARISONS

Strawberry production in the United States in 1971-74 averaged 497.4 million pounds compared with 489.3 million pounds in 1966-70 (see Appendix Table 11a). Almost two-thirds of U.S. commercial production in 1971-74 was grown in California. In Canada, 1971-74 production averaged 34.2 million pounds annually or a little less than 7 per cent of the U.S. crop.

In 1971-74, the average U.S. farm value was 25.7 cents per pound (see Appendix Table 11a) compared with 27.5 cents in Canada. Since 1972, the average farm value per pound of berries grown in Canada has increased faster than in the United States. In 1974, it averaged 34.0 cents or about one-fifth higher than the 28.6 cents in the United States.

Comparative yields per acre were examined by the Board in an earlier report<sup>(2)</sup> and it was noted that those in the United States were considerably higher than those in Canada. For example, in 1970, the average yield per acre in Canada was 5,900 pounds compared with 9,300 pounds in the United States. However, as shown in Appendix Table 11a, U.S. average yields are heavily influenced by yields in California which were three to seven times larger in 1971-74 than those in other U.S. growing areas. Everbearing varieties produce several harvests a year in California. By comparison, varieties grown in other states and in Canada produce only one crop. Excluding California, yields in Canada may be considered about the same as those in the United States.

Accurate data on production costs for comparable grower operations in the two countries are not available. However, farm values per pound are available and these figures in the long run are indicative of production costs.

- 
- (1) In 1974, there were strikes in the transport industry and many short-term private contract arrangements were entered into. These factors account for some of the wide fluctuations in freight costs.
- (2) Strawberries for Processing, Tariff Board, Reference 148, DSS Publishing Centre, Ottawa, 1972, pp. 24-25.



In Canada, Table 1 shows that the average annual farm value per pound in 1971-74 was 25.4 cents in British Columbia, 27.6 cents in Ontario and 28.6 cents in Quebec. The slightly lower return in British Columbia is attributed to the fact that more than 80 per cent of the crop was sold for processing. This compares with 15 per cent or less in Ontario and Quebec. Data for British Columbia<sup>(1)</sup> indicate that, in 1971-74, the annual average farm value of berries sold to the fresh market was 31.0 cents per pound while the average for those sold for processing was 24.1 cents per pound. Similar data were not available for Ontario and Quebec.

In the United States, separate data are available for farm values of berries sold to the fresh market and for processing. In California, which supplied 98.9 per cent of Canadian imports of fresh strawberries in 1974, the average annual farm value per pound for strawberries sold to the fresh market in 1971-74 was 28.0 cents. Thus, for strawberries sold for fresh market consumption, the average annual farm values in Ontario, Quebec and California were roughly the same, while those for British Columbia were slightly higher.

For processing strawberries, the situation was vastly different. In British Columbia, the average annual farm value in 1971-74 was 24.1 cents per pound which was 7 cents higher than California's 17.1 cents per pound, and 4 to 5 cents higher than in Washington, Michigan, and Oregon. A significant proportion of strawberries imported fresh for processing is reported to come from the last-named three states.

The low cost per pound of strawberries imported from the United States for processing indicates that, even after freight and duty charges (see Appendix Tables 10a and 10b), they can be landed anywhere in Canada at a cost competitive with those berries grown in British Columbia, and possibly even in British Columbia itself, especially in the semi-processed form for which freight costs are lower.

#### TARIFF CONSIDERATIONS

Fresh strawberries entering Canada, for fresh market consumption or for processing, are dutiable under tariff item 9211-1, as follows:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Strawberries ..... per pound	Free	Free or 1-3/5 cts. or 10 p.c.	Free or 1-3/5 cts. or 10 p.c.

The Free rate shall apply during the months of September, October, November, December, January, February and March.

<sup>(1)</sup> B.C. Department of Agriculture.

During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 6 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.

The item is bound under GATT and has existed in its present form since 1959, except that the 10 p.c. M.F.N. and Gen. off-season rates were temporarily suspended from February 20, 1973 to February 19, 1974. The reductions since 1930 in the rates of duties on strawberries under the Most-Favoured-Nation and General Tariff are shown in Table 7, which includes only those changes, by Statute or Trade Agreement, which affected applicable rates of duty. In the table, the rates shown are per cent ad valorem or cents per pound; when a period in weeks is shown below a rate, it indicates the maximum applicable period for that rate.

Table 7: Strawberries: Tariff History Since 1930

<u>Effective Date</u>	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u> (a)
1930, May 2 Statutory Change	Free	15 p.c.	20 p.c. (b)
1939, January 1 United States Trade Agreement		10 p.c.	
1948, January 1 GATT		1.6 cts. (c) (6 weeks) or 10 p.c.	
1950, June 1 Statutory Change	Free	1.6 cts. (6 weeks) or 10 p.c.	1.6 cts. (6 weeks) or 10 p.c.
1959, April 10 Statutory Change	Free	Free (d) or 1.6 cts. (6 weeks) or 10 p.c. (e)	Free (d) or 1.6 cts. (6 weeks) or 10 p.c. (e)

(a) Applicable to imports from the United States until Dec. 31, 1935, from Mexico until Feb. 7, 1946.

(b) Not less than 3 cents, June 1 - July 31.

(c) Not applied until 1950.

(d) Free entry is prescribed for the months September to March, inclusive.

(e) Temporarily suspended and free entry substituted, by Statute from Feb. 20, 1973 to Feb. 19, 1974.

Source: Canadian Customs Tariff.

On May 22, 1971, surtaxes were imposed, in addition to the duties otherwise established, on imported fresh and frozen strawberries and strawberries in SO<sub>2</sub>, equal to the difference between the prices specified in the Surtax Order and the f.o.b. import price per pound of such strawberries. The surtax on fresh strawberries was removed effective July 21, 1971, and on other strawberries effective August 19, 1971.

When imported into the United States, strawberries from Canada are dutiable under item 146.58. If entered from June 15 to September 15, in any year, a rate of 0.2 cent per pound applies. If entered at any other time the rate is 0.75 cent per pound.

In Canada, a seasonal duty is authorized for six weeks but the length of time it has been applied has varied by year and area. Appendix Table 12 shows the dates of application and removal of this duty from 1966 to 1975. In central Canada, the seasonal duty has been in effect only in 1973. In the western region, it was in effect in 1970 and 1973, and in the Maritimes in 1970, 1972, and 1973. In 1973, the only year the seasonal duty was applied in all regions, the ad valorem rate had been suspended. The seasonal duty was not applied more often because the seasonal specific duty of 1.6 cents per pound offered less protection than the ad valorem rate of 10 per cent which is authorized from April to August.

In most years, more than 80 per cent of imports are subject to duty (see Appendix Table 13). The table also shows that the ad valorem equivalent of the specific duty of 1.6 cents per pound has been declining as a result of the increasing f.o.b. price of imported strawberries. In 1966, when the average f.o.b. price was 24.4 cents per pound, the ad valorem equivalent was 6.6 per cent. By 1975, the ad valorem equivalent of the same specific duty was 5.2 per cent as a result of the rise in the average import price to 31.0 cents per pound.

The average import price included, however, both strawberries for fresh market consumption and for processing; and there often is a substantial difference in price between these two. For example, Appendix Tables 11b and 11c indicate that, in 1974, growers in California, who supplied 98.9 per cent of imports of fresh strawberries to Canada received an average of 30.7 cents per pound for fruit sold to the fresh market and 18.3 cents for processing. Assuming that import prices for the two end-uses are the same, then the ad valorem equivalent of the specific duty would have been 5.2 per cent for strawberries sold for fresh consumption and 8.7 per cent for those sold for processing.

The Canadian Horticultural Council proposed that two separate tariff items be established for fresh strawberries imported into Canada. One, on fresh strawberries with hulls, would cover berries entering for fresh market consumption. The other, on fresh strawberries without hulls, would cover berries entering Canada for processing. Regarding strawberries with hulls, the Council suggested a seasonal rate of duty of 3 cents per pound under the British Preferential, Most-Favoured-Nation and General Tariff. The Council also requested that an ad valorem floor be set at 15 per cent and that the period of application of the seasonal duty be 10 weeks. When the

specific duty was not in effect, strawberries with hulls would be imported free of duty. For strawberries without hulls, the Council requested a rate of 5 cents per pound under British Preferential, Most-Favoured-Nation and General Tariff, with a minimum ad valorem rate of 15 per cent. This tariff would apply all year.

The Canadian Food Processors Association sought no changes in the existing rates of duty applicable to strawberries for fresh market consumption. However, the Association asked for the creation of a new item applicable to fresh strawberries for manufacture. Under this item, a seasonal rate of 10 per cent would be applied under all tariffs for a period of six weeks. When the seasonal tariff was not in effect strawberries would be imported free of duty. In terms of 1974 prices, this would result in a specific duty in excess of the present 1.6 cents per pound. For example, if the average farm value per pound of strawberries for processing received by California growers were equal to the f.o.b. import price into Canada in 1974, the proposal above would have afforded protection to domestic growers equivalent to a specific duty of 1.8 cents per pound.

To evaluate the tariff impact of the proposal made by the Council, data are needed separately on the f.o.b. price of imported strawberries with hulls and without hulls. The Board believes, on the basis of evidence given at the public sittings, that most, if not all, fresh strawberries imported without hulls are destined for processing while those with hulls are destined for the fresh market. The Board, however, does not have data on the f.o.b. import prices of strawberries for fresh market consumption (with hulls) and for processing (without hulls) but as above, will use instead farm values per pound received by growers in the United States.

In 1974, the average farm value per pound of California strawberries sold with hulls (fresh market) was 30.7 cents (see Appendix Table 11b), and in Washington for berries without hulls (processing) was 25.2 cents per pound (see Appendix Table 11c).<sup>(1)</sup> On the basis of those prices, the specific duty of 3 cents per pound proposed by the Council for strawberries with hulls would be equivalent to an ad valorem rate of 9.8 per cent. The specific duty of 5 cents per pound on strawberries without hulls would be equivalent to an ad valorem rate of 19.8 per cent. By comparison, the 10 per cent off-season rate which applied in 1974 to all fresh strawberries without distinction, resulted in a specific duty of 3.1 cents per pound on strawberries with hulls and 2.5 cents on those without hulls.

Furthermore, under the Council's proposal, the ad valorem floor of 15 per cent would come into effect at an f.o.b. import price of 20.0 cents per pound for strawberries with hulls and 33.3 cents per pound for strawberries without hulls. Thus, the 15 per cent ad valorem rate would be generally applicable at this time on strawberries imported with hulls but not on strawberries without hulls. The 15 per cent ad valorem duty on strawberries with hulls would be equivalent to a specific duty of 4.8 cents per pound.

(1) If average 1971-74 farm values for British Columbia were used (31.0 cents fresh market, 24.1 cents for processing) the result would be very similar.

The Council's proposal for a 5-cent per pound specific rate of duty on strawberries for processing would neutralize most of the cost advantage estimated earlier at 4 to 7 cents per pound, of U.S. strawberries compared with British Columbia's. In addition, since the major variety of strawberries grown in central and eastern Canada for processing has to be hulled, at an estimated additional cost of 4 cents per pound, the increase in the specific duty from 1.6 cents per pound to 5 cents would largely compensate growers in these regions for this disadvantage.

The adoption of the Council's proposal would raise the cost of fresh market strawberries to Canadian consumers by about \$365 thousand per year or by about 6 cents per family of four. Grower benefits could be \$385 thousand with respect to the volume produced for the fresh market in 1974. The total additional consumer cost is, relative to grower benefits, due to recommended elimination of the off-season duty. These calculations were based on an increase in the rate of duty on strawberries for the fresh market from 3.1 cents per pound, the specific duty equivalent of the off-season rate, to 4.8 cents.

The Council also proposed that the period of application of the seasonal duty be extended from six to 10 weeks for strawberries with hulls, and that strawberries without hulls would be subject to duty all year. The Board notes that the main production season in any particular region in Canada lasts for a maximum of about eight weeks.

At present, the tariff provides that fresh strawberries can be imported free of duty from January to March and from September to December. Since production in Canada occurs from June to mid August, and since the crop cannot be stored for long, consumers are required to bear tariff costs in April, May and part of August which do not protect domestic growers.

#### CONCLUSIONS

In recent years, there has been a relatively slight increase in domestic production of strawberries and a moderate increase in imports. As a result, Canadian growers' share of total domestic consumption fell to 44.8 per cent in 1971-74 from 51.4 per cent in 1961-65.

The processing market has hardly grown since 1961-65. Of this stable market a rapidly increasing volume is being supplied by foreign growers, especially in semi-processed form; imports of fresh strawberries for processing, still substantial, have declined sharply. The share of Canadian growers in supplying Canadian processors has diminished considerably.

Fresh market consumption on the other hand has risen significantly. Overall, in this segment of the strawberry market, imports also increased. However, this decline in market share was caused entirely by imports during the off-season. In fact, during the main harvesting season, Canadian growers had a slightly larger share of the market in 1971-74 than in 1961-65.



The level of protection provided by the current specific duty is relatively low and has declined as prices of strawberries have increased. In fact, until it was suspended in recent years, the off-season rate of 10 p.c. was the effective rate, because it provided more protection than the specific duty. Freight, brokerage and other costs associated with importing fresh strawberries have, however, been the main factor protecting domestic growers. These costs, depending on the destination in Canada and origin, added from 20 per cent to 40 per cent to the f.o.b. price of imported strawberries during the harvesting season in Canada.

The Board recognizes that Canadian growers of strawberries, relative to growers in the United States and Mexico, face a number of disadvantages. The Canadian climate limits growers to one crop per year from plants with no more than three productive seasons, while growers in California, for instance, obtain three crops from ever-bearing varieties. In addition, producers in eastern Canada have not been successful in growing the easy-hulling varieties for processing; hulling adds considerably to the processing cost. While British Columbia growers produce these varieties, they, however, benefit little from the protection provided by distance.

Labour costs are also substantially higher in Canada than in the main producing areas in the United States and Mexico. This element is particularly important because strawberries are a very labour-intensive crop; mechanized picking is apparently only at the experimental stage, even in California. Higher wage rates and costs have affected British Columbia growers in particular.

The Board concludes, however, that, with respect to fresh market strawberries, the level of protection provided by the existing statutory rates is adequate. A 10 per cent ad valorem minimum, in addition to the protection provided by freight, brokerage and other associated costs on imports, will allow domestic growers to maintain or increase their share of the market during the production season. The Board therefore recommends for fresh market strawberries a specific duty of 3 cents per pound, and a minimum of 10 per cent ad valorem, under both the Most-Favoured-Nation and General Tariff. The B.P. rate would continue to be Free. It is, furthermore, recommended that the maximum period for application of this duty be eight weeks, administered regionally. Imports of strawberries for the fresh market at other times shall enter free of duty.

With respect to strawberries for processing, however, the Board concludes that the present specific duty of 1-3/5 cents per pound is inadequate. This is so with respect to growers in British Columbia because they receive little protection from the cost of transporting berries from California and Washington. With respect to growers of processing strawberries in eastern Canada, the present specific duty is insufficient because, although they enjoy more protection from transport costs, they have the additional disadvantage of growing the non-hulling varieties which are more costly to process. The Board therefore recommends the establishment of a separate tariff item for strawberries imported for processing with a specific duty of 4 cents per pound, with a minimum ad valorem rate of 15 per cent, under the Most-Favoured-Nation and General Tariff; the B.P. rate would be Free. The duty on fresh strawberries for processing would be year round.

RECOMMENDATIONS

The Board recommends that the present tariff item 9211-1 be deleted from Schedule "A" of the Customs Tariff and that the following item be inserted:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Strawberries, n.o.p. .... ..... per pound	Free	3 cts. but not less than 10 p.c., or Free	3 cts. but not less than 10 p.c., or Free

In any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 8 weeks, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Strawberries for processing ..... per pound	Free	4 cts. but not less than 15 p.c.	4 cts. but not less than 15 p.c.
--	------	---	---



Strawberries: Acreage and Number of Farms, by Province  
and Region, 1961 and 1971

	1961			1971		
	No. of Acres	Acreage as % of Total	No. of Farms Reporting	No. of Acres	Acreage as % of Total	No. of Farms Reporting
Atlantic Region	1,949	14.9	1,872	1,749	13.7	665
Nfld.	7	0.1	11	15	0.1	20
P.E.I.	682	5.2	344	453	3.5	114
N.S.	703	5.4	838	681	5.3	289
N.B.	557	4.3	679	600	4.7	242
Central Region	8,677	66.5	8,020	8,224	64.3	3,982
Que.	4,296	32.9	4,257	4,571	35.8	2,195
Ont.	4,381	33.6	3,763	3,653	28.6	1,787
Western Region	2,425	18.6	1,301	2,810	22.0	651
Man.	124	1.0	140	175	1.4	111
Sask.	17	0.1	58	19	0.1	27
Alta.	31	0.2	74	33	0.3	20
B.C.	2,253	17.3	1,029	2,583	20.2	493
Canada <sup>(a)</sup>	13,051	100.0	11,194	12,785	100.0	5,299

(a) Includes Yukon and Northwest Territories.

Source: Census of Canada, 1961 and 1971.

Appendix Table 2

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74
			-	per cent	-		
<u>Per Cent of Domestic Production</u>							
Sold for Processing	43.0	38.1	36.3	20.2	22.4	28.8	28.0
Sold to Domestic Fresh Market	67.0	57.8	59.3	75.8	73.7	69.7	68.5
Exported	1.0	4.1	4.4	4.0	3.9	1.5	3.5
<u>Total Imports as Per Cent: of Total Supply Available of Total Domestic Disappearance</u>	48.9 49.3	42.5 43.5	41.2 42.3	59.1 60.1	59.9 60.9	62.6 62.9	55.9 56.7
<u>Per Cent of Total Fresh Imports to:</u>							
Fresh Market	65.9	77.8	90.5	85.4	83.2	85.0	85.7
Processing (fresh)	34.1	22.2	9.5	14.6	16.8	15.0	14.3
<u>Fresh Market Imports as Per Cent: of Fresh Market Availability of Fresh Market Consumption</u>	42.8 43.2	34.7 36.2	38.4 39.8	47.9 48.7	48.6 49.1	53.9 54.0	47.3 48.1
<u>Per Cent of Consumption in Processed Form:</u>							
From Processed and Semi-processed Imports	32.5	40.2	39.8	64.9	63.5	62.2	57.7
From Fresh Imports for Processing	23.0	11.8	6.1	13.3	14.3	12.6	11.6
From Domestic Production	44.5	48.0	54.1	21.8	22.2	25.2	30.7
<u>Per Cent of Fresh Market Consumption:</u>							
From Domestic Production	56.8	63.8	60.2	51.3	50.9	46.0	51.9
From Imports	43.2	36.2	39.8	48.7	49.1	54.0	48.1
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in Processed Form	49.3	46.7	40.5	38.6	41.0	43.0	40.9
Consumed in Fresh Form	50.7	53.3	59.5	61.4	59.0	57.0	59.1
<u>Net Imports<sup>(b)</sup> as % of Total Domestic Disappearance</u>	48.6	41.1	39.6	58.5	59.3	62.4	55.2
<u>Production as % of Total Domestic Disappearance</u>	51.4	58.9	60.4	41.5	40.7	37.6	44.8

(a) Includes fresh imports for processing.

(b) Total imports minus total exports.

Source: Table 2.

Appendix Table 3

Strawberries: Estimated Monthly Distribution of Fresh Shipments<sup>(a)</sup>  
to Principal Markets, 1966-1974

	<u>Average 1966-70</u>	<u>Average 1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
	- thousand pounds -					
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	6,391	9,060	14,166	6,073	11,902	4,098
July	17,543	14,172	12,462	15,574	10,768	17,886
Aug.	131	175	-	43	-	657
Sept.	9	-	-	-	-	-
Oct.	-	-	-	-	-	-
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
Year	<u>24,075</u>	<u>23,407</u>	<u>26,628</u>	<u>21,691</u>	<u>22,670</u>	<u>22,640</u>

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 4

Strawberries: Estimated Monthly Distribution of Fresh Market  
Consumption, 1961-1974

	<u>Average 1961-65</u>	<u>Average 1966-70</u>	<u>Average 1971-74</u>			
	<u>Imports as % of Con- sumption</u>	<u>Imports as % of Con- sumption</u>	<u>From Domestic Produc- tion</u>	<u>From Imports</u>	<u>Total Consump- tion</u>	<u>Imports as % of Con- sumption</u>
	- per cent	-	- thousand pounds	-	-	per cent
Jan.	100.0	100.0	-	571	571	100.0
Feb.	100.0	100.0	-	938	938	100.0
Mar.	100.0	100.0	-	1,361	1,361	100.0
Apr.	100.0	100.0	-	3,178	3,178	100.0
May	100.0	100.0	-	7,482	7,482	100.0
June	31.3	32.8	9,060	4,210	13,270	31.7
July	11.5	3.7	14,172	1,078	15,250	7.1
Aug.	92.2	81.8	175	1,235	1,410	87.6
Sept.	100.0	98.1	-	859	859	100.0
Oct.	100.0	100.0	-	241	241	100.0
Nov.	100.0	100.0	-	104	104	100.0
Dec.	100.0	100.0	-	419	419	100.0
Total	43.2	36.2	23,407	21,677	45,084	48.1

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 5

Strawberries: Fresh Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Mexico</u>	<u>Other</u>	<u>Total</u>
	- thousand pounds -			
1966	14,513	382	25	14,920
1967	14,843	392	10	15,245
1968	17,075	528	6	17,609
1969	20,586	932	7	21,525
1970	16,933	1,408	1	18,342
Average 1966-70	16,790	728	10	17,528
1971	18,248	1,185	3	19,436
1972	22,426	1,720	-	24,146
1973	24,032	2,289	8	26,329
1974	29,112	2,165	6	31,283
1975	25,328	1,436	-	26,764
Average 1971-75	23,829	1,759	3	25,592

Source: Statistics Canada.

Appendix Table 6

Strawberries: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	190	282	266	419	573	518
Nfld.	24	-	1	1	3	1
P.E.I.	3	3	2	4	3	5
N.S.	54	93	53	159	92	198
N.B.	110	186	210	256	475	314
Central Region	10,179	12,457	13,075	13,876	16,791	17,864
Que.	4,937	5,593	6,263	5,581	6,918	8,230
Ont.	5,242	6,864	6,812	8,295	9,873	9,634
Western Region	7,160	6,697	10,805	12,033	13,919	8,382
Man.	697	1,034	1,227	1,378	1,317	1,245
Sask.	562	575	741	696	913	783
Alta.	2,334	2,924	3,067	3,553	3,410	3,058
B.C.	3,568	2,165	5,770	6,407	8,279	3,296
Canada	17,528	19,436	24,146	26,329	31,283	26,764

Source: Statistics Canada.

Appendix Table 7

Strawberries: Imports by Month, 1966-1975

	<u>Average</u> <u>1966-70</u>	<u>%</u>	<u>Average</u> <u>1971-75</u>	<u>%</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -							
Jan.	248	1.4	508	2.0	502	364	693	519
Feb.	352	2.0	759	3.0	669	1,057	803	804
Mar.	719	4.1	1,296	5.1	984	1,407	1,656	1,334
Apr.	2,124	12.1	2,135	8.3	2,295	2,417	1,947	1,741
May	4,603	26.3	7,476	29.2	7,691	7,140	8,487	7,583
June	5,512	31.4	6,120	23.9	5,451	6,130	6,127	7,716
July	2,094	11.9	3,857	15.1	3,679	4,193	7,047	3,137
Aug.	763	4.4	1,641	6.4	1,366	2,009	1,988	1,796
Sept.	519	3.0	864	3.4	868	723	1,205	943
Oct.	267	1.5	455	1.8	346	492	542	617
Nov.	66	0.4	110	0.4	52	62	174	211
Dec.	261	1.5	371	1.4	244	335	615	364
Total	17,528	100.0	25,592	100.0	24,146	26,329	31,283	26,764

Source: Statistics Canada.

Appendix Table 8

Strawberries: Percentage Distribution of Fresh Market Imports  
from United States, by State of Origin, by  
Region, 1972-1974

	<u>California</u>	<u>New Jersey</u>	<u>Florida</u>	<u>Others</u>	<u>Total</u>
	- per cent -				
<u>1972</u>					
Atlantic Region	99.0	1.0	-	-	100.0
Central Region	94.3	1.4	3.3	1.0	100.0
Western Region	100.0	-	-	-	100.0
Canada	96.3	0.9	2.1	0.7	100.0
<u>1973</u>					
Atlantic Region	92.2	4.8	-	3.0	100.0
Central Region	97.7	1.6	0.3	0.4	100.0
Western Region	100.0	-	-	-	100.0
Canada	98.5	1.0	0.2	0.3	100.0
<u>1974</u>					
Atlantic Region	96.1	0.6	-	3.3	100.0
Central Region	98.4	0.5	-	1.1	100.0
Western Region	100.0	-	-	-	100.0
Canada	98.9	0.3	-	0.8	100.0

Source: Agriculture Canada.







Strawberries: Weekly Wholesale-to-Retail Prices at  
Winnipeg and Vancouver, 1974

Week Ending	Winnipeg		Vancouver	
	Cal.	Mex.	Cal.	Mex.
	- M.C. 12 x 1 pt.	12 lb. -	- Flat 12 x 1 pt.	12 lb. -
- cents per pound -				
Jan. 11				49.2
Mar. 1			70.8	
8	66.7		69.0	
15	65.7		67.9	
22	65.7		69.0	
29	62.3		65.7	
Apr. 5	63.6		65.7	
12	64.0		67.8	
19	55.3		59.0	
26	43.3		46.7	
May 3	45.8		45.7	
10	46.9		49.0	
17	45.3		45.4	
24	45.3		44.6	
31	47.3		45.8	
June 7	46.9		51.3	
14	50.0		51.3	
21	50.0		49.2	
28	53.2		50.7	
July 5	54.8		50.7	
12	54.8		51.7	
19	53.2		52.5	
26	55.3		57.5	
Aug. 2	55.7		57.1	
9	56.3		59.4	
16	55.3		61.5	
23	55.8		61.5	
30	56.9		61.5	
Sept. 6	56.9		63.6	
13	60.0		63.6	
20	60.0		63.6	
27	60.0		61.5	
Oct. 4	60.0		56.3	
11	58.3		56.3	
18	58.3		56.3	
Nov. 22	58.3	68.8		
29		65.8		
Dec. 6		65.8		
13		65.8		

Source: Agriculture Canada.

Imported United States Strawberries: Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Toronto; Selected data by Month, 1972-1974

Month of Shipment	1972					1973					1974				
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost
March	-	-	-	-	-	-	-	-	-	-	Calif.	49.3	10.1	-	59.4
April	Calif.	34.8	8.6	3.4	46.8	-	-	-	-	-	Calif.	48.0	9.6	4.8	62.4
	"	36.3	8.6	3.6	48.5	-	-	-	-	-	"	33.4	9.8	3.3	46.5
	"	30.6	8.6	3.0	42.2	-	-	-	-	-	"	39.6	9.5	4.0	53.1
	"	32.7	8.6	3.2	44.5	-	-	-	-	-	"	28.8	10.8	2.9	42.5
	"	28.4	8.6	2.8	39.8	-	-	-	-	-	"	30.9	9.6	3.1	43.6
	"	27.3	8.6	2.7	38.6	-	-	-	-	-	"	27.2	9.6	2.7	39.5
	"	26.5	8.6	2.6	37.7	-	-	-	-	-	"	26.7	9.5	2.7	38.9
	"	25.2	8.6	2.5	36.3	-	-	-	-	-	-	-	-	-	-
May	Calif.	28.8	8.6	2.9	40.3	Calif.	31.5	9.0	-	40.5	Calif.	32.2	9.6	5.2	45.0
	"	26.5	8.7	2.6	37.8	"	24.7	9.0	-	33.7	"	30.9	9.5	3.1	43.5
	"	23.6	9.0	2.4	35.0	"	22.2	9.0	-	31.2	"	26.7	10.3	2.8	39.7
	"	23.1	8.6	2.3	34.0	-	-	-	-	-	"	26.0	9.6	2.6	38.2
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	Calif.	28.8	8.6	2.9	40.3	Calif.	33.0	9.0	-	42.0	Calif.	33.4	9.6	3.3	46.3
	"	26.5	8.6	2.6	37.7	"	32.6	9.0	-	41.6	"	32.6	9.5	3.3	45.4
	"	25.2	8.6	2.5	36.3	"	28.4	9.0	-	37.4	"	31.3	9.6	3.1	44.0
	-	-	-	-	-	"	32.9	9.0	-	42.0	-	-	-	-	-

Source: Tariff Board survey.

Imported United States Strawberries: Total Landed Cost; Cost f.o.b.; Freight, Brokerage and Other Costs; Cost of Duty; Montreal, Winnipeg and Vancouver; Selected Data by Month, 1974

Month of Shipment	Montreal				Winnipeg				Vancouver			
	Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost		Source	Cost f.o.b.	Cost of Freight	Duty Paid	Total Landed Cost	
February	-	-	-	-	-	-	-	-	-	-	-	35.7
March	-	-	-	-	-	-	Calif.	48.3	7.4	-	55.7	57.6
	-	-	-	-	-	-	-	-	-	-	-	53.1
	-	-	-	-	-	-	-	-	-	-	-	51.6
	-	-	-	-	-	-	-	-	-	-	-	51.6
April	Calif.	45.8	9.3	-	55.1	48.3	Calif.	48.3	6.3	4.8	59.4	58.0
	-	-	-	-	-	39.6	"	39.6	5.8	4.0	49.4	49.3
	-	-	-	-	-	31.3	"	31.3	5.8	3.2	40.3	45.1
	-	-	-	-	-	29.2	"	29.2	5.8	2.9	37.9	37.2
	-	-	-	-	-	27.1	"	27.1	5.8	2.7	35.6	34.4
May	Calif.	23.8	9.8	2.4	36.0	32.5	Calif.	32.5	6.9	3.3	42.7	36.9
	-	-	-	-	-	29.2	"	29.2	6.9	2.9	39.0	34.4
	-	-	-	-	-	27.1	"	27.1	5.9	2.7	35.7	32.2
	-	-	-	-	-	-	-	-	-	-	-	31.2
	-	-	-	-	-	-	-	-	-	-	-	31.2
June	Calif.	26.3	10.1	2.6	39.0	35.4	Calif.	35.4	7.0	3.6	46.0	43.8
	-	-	-	-	-	34.6	"	34.6	7.0	3.5	45.1	39.9
	-	-	-	-	-	32.5	"	32.5	7.0	3.3	42.8	38.1
	-	-	-	-	-	-	-	-	-	-	-	38.1

- cents per pound -



Appendix Table 11a

Strawberries: Acreage, Production, Yield per Acre, Farm Value  
and Farm Value per Pound, United States, by  
States, 1966-1974

	Average 1966-70	1971	1972	1973	1974	Average 1971-74
- Acreage -						
California		8,300	7,800	8,100	8,900	8,275
Oregon		10,800	8,600	7,800	7,200	8,600
Washington		4,100	3,800	3,600	3,600	3,775
Michigan		5,200	4,000	3,400	3,100	3,925
Florida		1,600	1,600	1,400	1,300	1,475
Other States		18,580	18,010	16,560	15,540	17,173
Total	58,616	48,580	43,810	40,860	39,640	43,223
- Production, '000 lb. -						
California		303,000	284,700	320,000	382,700	322,600
Oregon		83,200	54,200	48,400	41,000	56,700
Washington		26,700	24,300	21,600	22,700	23,825
Michigan		25,000	21,200	15,000	17,700	19,725
Florida		17,600	20,000	18,900	17,600	18,525
Other States		65,400	53,900	53,400	51,500	56,050
Total	489,300	520,900	458,300	477,300	533,200	497,425
- Average Yield, lb. -						
California		36,506	36,500	39,506	43,000	38,985
Oregon		7,704	6,302	6,205	5,694	6,593
Washington		6,512	6,395	6,000	6,306	6,311
Michigan		4,808	5,300	4,412	5,710	5,025
Florida		11,000	12,500	13,500	13,538	12,559
Other States		3,520	2,993	3,225	3,314	3,264
Total	8,347	10,723	10,461	11,681	13,451	11,508
- Farm Value, \$'000 -						
California		70,385	67,564	83,830	104,456	81,559
Oregon		12,542	9,647	11,578	10,475	11,061
Washington		4,221	4,556	5,215	5,823	4,954
Michigan		5,061	5,218	4,723	5,503	5,126
Florida		6,142	6,320	8,127	6,706	6,824
Other States		18,654	16,460	18,119	19,796	18,257
Total	105,692	117,005	109,765	131,592	152,759	127,780

Appendix Table 11a (concl.)

Strawberries: Acreage, Production, Yield per Acre, Farm Value  
and Farm Value per Pound, United States, by  
States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
	- Farm Value, ¢ per lb. -					
California		23.2	23.7	26.2	27.3	25.3
Oregon		15.1	17.8	23.9	25.5	19.5
Washington		15.8	18.7	24.1	25.7	20.8
Michigan		20.2	24.6	31.5	31.1	26.0
Florida		34.9	31.6	43.0	38.1	36.8
Other States		28.5	30.5	33.9	38.4	32.6
Total	21.6	22.5	24.0	27.6	28.6	25.7

Source: U.S. Department of Agriculture.

Appendix Table 11b

Strawberries: Fresh Market Production, Farm Value and Farm Value per Pound, United States, by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
California	235,000	226,400	226,700	277,600	241,425
Oregon	3,700	2,800	2,900	3,700	3,275
Washington	3,300	3,300	2,900	2,500	3,000
Michigan	15,400	13,300	9,600	12,400	12,675
Florida	17,600	20,000	18,900	17,600	18,525
Other States <sup>(a)</sup>	<u>65,400</u>	<u>53,900</u>	<u>53,400</u>	<u>51,500</u>	<u>56,050</u>
Total	340,400	319,700	314,400	365,300	334,950
- Farm Value, \$'000 -					
California	60,865	58,411	66,196	85,223	67,674
Oregon	855	806	931	1,336	982
Washington	805	776	783	733	774
Michigan	3,573	3,764	3,254	4,204	3,699
Florida	6,142	6,320	8,127	6,706	6,824
Other States <sup>(a)</sup>	<u>18,654</u>	<u>16,460</u>	<u>18,119</u>	<u>19,796</u>	<u>18,257</u>
Total	90,894	86,537	97,410	117,998	98,210
- Farm Value, ¢ per lb. -					
California	25.9	25.8	29.2	30.7	28.0
Oregon	23.1	28.8	32.1	36.1	30.0
Washington	24.4	23.5	27.0	29.3	25.8
Michigan	23.2	28.3	33.9	33.9	29.2
Florida	34.9	31.6	43.0	38.1	36.8
Other States <sup>(a)</sup>	28.5	30.5	33.9	38.4	32.6
Total	26.7	27.1	31.0	32.3	29.3

(a) Includes small quantities processed.

Source: U.S. Department of Agriculture.



Appendix Table 11c

Strawberries: Processing Market Production, Farm Value and  
Farm Value per Pound, United States, by  
States, 1971-1974 (a)

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
California	68,000	58,300	93,300	105,100	81,175
Oregon	79,500	51,400	45,500	37,300	53,425
Washington	23,400	21,000	18,700	20,200	20,825
Michigan	<u>9,600</u>	<u>7,900</u>	<u>5,400</u>	<u>5,300</u>	<u>7,050</u>
Total	180,500	138,600	162,900	167,900	162,475
- Farm Value, \$'000 -					
California	9,520	9,153	17,634	19,233	13,885
Oregon	11,687	8,841	10,647	9,139	10,079
Washington	3,416	3,780	4,432	5,090	4,180
Michigan	<u>1,488</u>	<u>1,454</u>	<u>1,469</u>	<u>1,299</u>	<u>1,427</u>
Total	26,111	23,228	34,182	34,761	29,571
- Farm Value, ¢ per lb. -					
California	14.0	15.7	18.9	18.3	17.1
Oregon	14.7	17.2	23.4	24.5	18.9
Washington	14.6	18.0	23.7	25.2	20.1
Michigan	15.5	18.4	27.2	24.5	20.2
Total	14.5	16.8	21.0	20.7	18.2

(a) Small quantities processed included in Fresh Market Table  
(Appendix Table 11b).

Source: U.S. Department of Agriculture.

Strawberries: Dates of Application and Removal of the Seasonal Specific Duty, by Tariff Region, 1966-1975

(a) Year	Maritime Provinces			Central Canada (b)			Western Canada (c)		
	Application	Removal	Days in Effect	Application	Removal	Days in Effect	Application	Removal	Days in Effect
1966	-	-	-	-	-	-	-	-	-
1967	-	-	-	-	-	-	-	-	-
1968	-	-	-	-	-	-	-	-	-
1969	-	-	-	-	-	-	-	-	-
1970	June 26	Aug. 7	42	-	-	-	June 16	July 28	42
1971	-	-	-	-	-	-	-	-	-
1972	July 14	Aug. 25	42	-	-	-	-	-	-
1973	July 13	July 27	14	June 14	July 26	42	June 8	July 20	42
1974	-	-	-	-	-	-	-	-	-
1975	-	-	-	-	-	-	-	-	-

(a) Government fiscal year commencing April 1st, ending March 31st of following year.

(b) Includes Quebec and Ontario east of Thunder Bay, Ontario.

(c) Includes Thunder Bay and west thereof.

Source: National Revenue.

Strawberries: Dutiable Imports and the Ad Valorem Equivalent  
of the M.F.N. Specific Duty, 1966-1975

	Imports			Price f.o.b.		M.F.N. Specific Duty ¢/lb.	Ad Valorem Equivalent of M.F.N. Specific Duty %
	Total '000 lb.	Non- Dutiable '000 lb.	%	Dutiable '000 lb.	%		
1966	14,920	1,934	13.0	12,986	87.0	1.6	6.6
1967	15,245	2,605	17.1	12,640	82.9	1.6	6.5
1968	17,609	2,215	12.6	15,394	87.4	1.6	7.0
1969	21,525	3,073	14.3	18,452	85.7	1.6	6.8
1970	18,342	3,920	21.4	14,422	78.6	1.6	6.6
Average 1966-70	17,528	2,749	15.7	14,779	84.3	1.6	6.7
1971	19,436	3,614	18.6	15,822	81.4	1.6	6.8
1972	24,146	3,919	16.2	20,227	83.8	1.6	6.9
1973	26,329	20,652	78.4	5,677	21.6	1.6	5.5
1974	31,283	6,250	20.0	25,033	80.0	1.6	5.8
1975	26,764	5,359	20.0	21,405	80.0	1.6	5.2
Average 1971-75	25,592	7,959	31.1	17,633	68.9	1.6	5.9

Source: Statistics Canada.



OTHER FRUITSTable of Contents

	<u>Page</u>
Blackberries .....	433
Gooseberries .....	435
Red and Black Currants .....	436
Watermelons .....	436
Other Fruits .....	436
Blueberries .....	437
Growing and Harvesting .....	437
Production and Farm Value .....	438
Supply and Disposition .....	439
Imports and Exports .....	441
Prices .....	433
Tariff Considerations .....	444
Conclusions .....	449
Recommendations .....	450
Appendix Tables .....	451



OTHER FRUITS

The preceding sections of this report cover individually those fresh fruits, including tree fruits, berries and melons, that are specifically named in the relevant tariff items referred to the Board. There is also a brief discussion of quinces and nectarines, which, although classified under a tariff item not included in the Reference, were the subject of representations or observations at the public sittings.

There are, of course, a great many other species of fruit. A number of these are tropical and are specifically named in tariff items not included in this Reference. These include passion fruit, plantains, pineapples, pomegranates, guavas, mangoes, bananas, dates, grapefruit, oranges, lemons and limes. Fresh fruits not discussed separately nor included in the preceding list are, on importation into Canada, classified under tariff items providing for "edible berries, n.o.p.," "melons, n.o.p." and "fruits, fresh, ... n.o.p." Products admissible under these tariff items are the subject of discussion in this section. Most of them, except for various berries, are not grown in this country.

An indication of the variety and volume of products involved, in so far as the fresh market is concerned, is shown in the unloads data published by Agriculture Canada (see Table 1). Of the products listed, only blueberries are grown in Canada in significant quantities and they are the only product for which there is much statistical information. Blueberries are discussed in more detail later in this section. Additional information on Canadian production can be obtained from published data on processors' acquirements of domestically grown blueberries, blackberries, gooseberries and red and black currants. In addition to watermelons, there is known to be some Canadian production of zucca melons. The unloads data refer also to mixed melons, i.e., shipments of various varieties and kinds. This might include cantaloupes and other types of muskmelons that would not fall under "melons, n.o.p." under consideration here.

To obtain further information on fruit imported under the three relevant tariff items, the Board undertook a limited survey of goods entered under these items and of imports classified to the related commodity classes.

With melons, it might have been expected that the two tariff items - "cantaloupes and muskmelons" and "melons, n.o.p." - would correspond to the two import commodity classes - "cantaloupes and muskmelons" and "melons, n.e.s." - but this was not found to be so. Apart from classification and statistical errors, the chief difficulty arose with respect to honeydew melons. These melons, and a number of other varieties found to be entered as melons, n.o.p., are varieties of muskmelons and should be treated as such for tariff and import statistics purposes. Some of these imports were coded to the class for muskmelons and others as melons, n.e.s. In addition to muskmelon varieties, the class for melons, n.e.s. included, as it should, water-melons and small quantities of other melon varieties.





The coverage of the import commodity class "fruits except berries, fresh, n.e.s." is broader than that of the tariff item for fresh fruits, n.o.p., as fewer fruits are specifically named in the import statistics than in the Customs Tariff. Among the fruits entered under the tariff item, and normally coded to the commodity class, were fresh avocados, ugli fruit, figs, papayas, kumquats, sapodilla soursops, tamarinds, paw paws, lychees, breadfruit and imli, as well as a number of others that apparently were misclassified. None of these tropical fruits are grown in Canada.

The main difference in coverage between the tariff item for edible berries, n.o.p., and the import commodity class for berries, fresh, n.e.s., relates to the treatment of blueberries, raspberries and loganberries. Blueberries, imported as an edible berry, n.o.p., have their own statistical class while raspberries and loganberries, which have their own tariff item, are, for statistical purposes, berries, n.e.s. This differentiation has caused some confusion as considerable quantities of blueberries, entered as berries, n.o.p., were incorrectly coded to the statistical class for berries, n.e.s. As a result, many of the import figures for blueberries, cited in this report, are understated. Although the tariff item for berries, n.o.p. also applies to imports of blackberries, gooseberries and currants, the only other products found in the survey were juniper berries - in limited quantities - and kiwi fruit. Kiwi fruit, an egg-sized berry grown in New Zealand, was also found to have been imported under the tariff provision for fresh fruit, n.o.p.; some were coded to the class for berries, n.e.s. and others to that for fruit, n.e.s.

Presented below are the data available for blackberries, gooseberries, red and black currants, and watermelons, followed by a discussion of blueberries.

#### BLACKBERRIES

The name blackberry covers a wide variety of prickly, fruit-bearing bushes of the genus Rubus, (to which the raspberry also belongs) including the boysenberry and, according to some authorities, the loganberry. However, loganberries are listed separately in the Customs Tariff where they are linked with raspberries. They are, apparently, hybrids of blackberries and raspberries.

The cloudberry, Rubus chamaemorus, is a herbaceous plant belonging to the same genus as the blackberry and the raspberry and has a pleasant-flavoured, orange-yellow fruit. It is widely distributed throughout the more northerly regions of both hemispheres and, in Scandinavia, is gathered in large quantities and sold in markets. In Canada, it is better known in its dried form as the bakeapple and is used in assorted desserts, primarily in the Maritimes and in the North. The cloudberry is not known to be cultivated and no statistics of any kind are available.

British Columbia publishes statistics on blackberry production and sales to the fresh and processing markets (see Appendix Table 1). It is believed these figures relate chiefly to commercial plantings and do not include wild berries. In some years, the entire crop is sold for processing. The total production of blackberries has fallen steadily, from an annual average of 347 thousand pounds in 1961-65 to 84 thousand pounds in 1971-75. The farm values per pound averaged 25.6 cents for fresh market produce for those years between 1971 and 1975 in which there were sales and 20.8 cents for processing berries. However, in 1974, when all output went to processing, the value was 30.0 cents a pound. In 1975, sales to processors realized 35.0 cents per pound compared with 25.7 cents for fresh market berries. The steady decline in production in the 1970s, to 28 thousand pounds in 1975, has been accompanied by steadily increasing prices that reflect the increased cost of labour for picking. A provincial publication<sup>(1)</sup> in November 1974, forecasting the dip in production in 1975, indicated that almost all commercial plantings in the Fraser Valley had been removed and that there were only two remaining commercial plantings on Vancouver Island, near Duncan. The yield in 1974 was said to be slightly more than 3 tons per acre, suggesting that about 11 acres were commercially cultivated in that year. The price of 30 cents per pound was said to be inadequate for continued production.

Although no production figures are available for other parts of Canada, some information can be derived from published statistics on acquisitions by processors - all said to be domestically grown produce (see Appendix Table 2). The figures vary widely from year to year but suggest that total Canadian production could be as high as 3 million pounds. They also indicate that blackberries are harvested from commercial plantings or in the wild, and that the Atlantic Provinces and Ontario have the bulk of production.

U.S. statistics relate only to 1971-74 and only to Washington and to Oregon, which has more than 90 per cent of the total production (see Appendix Tables 3a, 3b, and 3c). In 1973, acreage, production and yields dropped markedly resulting in high prices. The next year, when production returned to 1971 and 1972 levels, prices fell. Table 2 compares prices in these states with those in British Columbia.

As in British Columbia, most sales in Washington and Oregon are to processors. Table 2 shows that, on average, prices in 1971 and 1972 in the three areas were about the same. However, in 1973 U.S. prices were much higher, while in 1974, the British Columbia crop realized a much higher return.

The Board has no information indicating blackberries are imported for the fresh or processing markets, or that there are any exports.

(1) Horticultural Newsletter, Volume 54 - No. 12; prepared by the Horticultural Branch, B.C. Department of Agriculture.

Table 2: Blackberries: Farm Values per Pound for British Columbia, Oregon and Washington, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- ¢ per lb. -					
<u>British Columbia</u>					
All blackberries	15.4	20.2	23.0	30.0	20.1
Fresh market	-	25.0	-	-	25.0
Processing	15.4	20.1	23.0	30.0	20.0
<u>Oregon</u>					
All blackberries	12.0	23.9	51.3	22.3	22.2
Fresh market	15.6	26.7	44.3	26.6	27.2
Processing	11.9	23.9	51.6	22.3	22.1
<u>Washington</u>					
All blackberries	12.1	22.9	47.3	19.3	20.6
Fresh market	16.8	30.0	53.5	31.2	23.9
Processing	12.0	22.8	47.1	19.2	20.6

Source: Appendix Tables 1, 3a, 3b, and 3c.

#### GOOSEBERRIES

The name "gooseberry" is given to fruit of a number of species related to currants which belong to the genus Ribes. Gooseberries are sometimes classified to this genus and are sometimes assigned their own genus, Grossularia. The fruit used commercially is derived from species and hybrids of species native both to Europe and to North America.

The only published statistics for gooseberries are shown in the unloads data (see Table 1) for Ontario and Quebec, and are for local berries only. Acquirements information, which contain no figures due to confidentiality, indicate that domestically grown gooseberries are processed in Ontario and, prior to 1970, were also processed in British Columbia. Some years ago, British Columbia stopped publishing production statistics for this crop. The Board has no information indicating any imports or exports of gooseberries for either the fresh or the processing markets. Available information indicates that production in Canada, now largely limited to Ontario, is small. In certain parts of North America, gooseberry production is limited or forbidden because the plants act as a host to white pine blister rust.

### RED AND BLACK CURRANTS

Red and black currants are derived from various species, or hybrids, of the genus *Ribes*. Although North American varieties are used, most of the commercial varieties - usually consumed in cooked or processed form - are derived from European species. Like gooseberries, currant bushes are hosts to the white pine blister rust and this has led to restrictions on production. However, rust-resistant varieties have been developed.

Unloads data for currants reported in Table 1 for 1972 relate to Ontario production. Some years ago, acquisitions data, on black currants used by processors, were published indicating production and use in Ontario and British Columbia. About 1970, however, British Columbia ceased publication of production data for both black and red currants. It now appears production and consumption is largely limited to Ontario and is small.

### WATERMELONS

The watermelon, *Citrullis vulgaris*, belongs to the gourd family which is native to Africa. While it can be and is grown in parts of Canada, commercial-scale production requires a milder climate. A small acreage is planted each year in southern Ontario but the crop is normally sold at roadside stands or to specialty stores. According to domestic unloads data for 1972 some Ontario watermelons were sold on the Halifax market. Apparently, in that year, prices obtained for watermelons on that market made such shipments feasible.

Most watermelons consumed in this country come from the United States. Canada does not publish separate statistics on imports of this melon but data on U.S. exports to Canada are available and are presented in Appendix Table 4. Canada imported an average of 101 million pounds of watermelons annually during 1971-74, valued at \$3.4 million. Statistics on U.S. production are in Appendix Table 5. It will be noted that about 4 per cent of U.S. output is exported to Canada.

### OTHER FRUITS

Published data on acquisitions of fresh fruits by processors list a number of specific fruits, including some listed above, and then give a figure for all other fruits which is divided between domestic and imported sources. The figures for domestic "other" fruits include those listed for fruits that, in some years, cannot be published separately for reasons of confidentiality (e.g., gooseberries, red and black currants, and blackberries) and those for miscellaneous fruits (i.e., zucca melons and boysenberries) which if imported fall under tariff items now under consideration. Cranberries and quinces, which have separate tariff provisions, are also included. Total quantities reported in recent years have varied between 2.2 and 4.8 million pounds but no breakdown is available. It is probable the bulk of these figures pertains to cranberries.



## BLUEBERRIES

Blueberries are small, round blue-coloured fruit of the genus Vaccinum, to which cranberries and a number of other edible berries also belong. Different species grow wild in temperate regions, particularly in North America, Europe and Asia, and have been used as food for centuries. Cultivation is a twentieth century development and is essentially limited to the United States and Canada.

Principal species growing in eastern Canada are the high-bush blueberries, V. australe and V. corymbosum; the lowbush species, V. lamarckii; and the Canada blueberry, V. myrtiloidis. Domesticated varieties were first developed in the United States from V. australe. In recent years, some progress has been made in domesticating lowbush berries. The main wild species in western Canada are V. ovatum and V. membranaceum.

Besides commercial crops of both wild and cultivated blueberries, large quantities of wild berries are picked for personal use or for sale at roadside stands. For these reasons, and because of statistical errors already noted, figures for consumption in Canada are probably considerably understated.

Blueberries may be eaten fresh or used in prepared desserts. Considerable quantities are frozen for use out of season and the fruit is also canned. Fresh blueberries, domestic or imported, are usually available in Canada only from May to October.

Blueberries are one of the most important commercial fruit crops in Canada. Total value of production in 1973 was exceeded only by that of apples, grapes and peaches. Annual average per capita consumption amounted to 0.5 pound in 1961-65, 0.7 pound in 1966-70 and 0.6 pound in 1971-74. For each period, the annual average consumption of processed fruit amounted to 0.1 pound, with the remainder consumed in fresh form.

### Growing and Harvesting

Both wild and cultivated blueberry plants are productive for many years. They require a fertile, acid, well-drained soil with a good supply of organic matter. In the case of wild berries, virtually the only activity prior to harvesting is the burning over of the land every second or third year to prune the plants. Yields can also be increased through weed, insect and predator (animals and birds) control, and through irrigation.

Since blueberries do not come true from seed, cultivated plants are propagated from cuttings and rooted in shaded or covered ground beds. Well-grown, two-year plants are considered the most desirable for field planting. Although plants bear fruit one year after planting, blossoms are usually picked to prevent fruiting in the first two years. Full production is reached in six to 10 years. It has been found that cross-pollination among varieties results in larger berries, a higher proportion of flowers setting fruit and earlier ripening.

In Canada, blueberries begin to ripen in July and, in some years, can be picked until October. However, the bulk of domestic production occurs in August and early September. Hand-picked blueberries are usually of the highest quality. Slightly lower quality results from handraking but it is less expensive. In recent years, there has been some progress toward mechanical harvesting.

Canadian commercial production consists of lowbush berries (largely wild) in all the Atlantic Provinces and Quebec, and of highbush cultivated berries in one area of Nova Scotia, and in British Columbia. Although lowbush blueberries grow extensively in Ontario, there is no reported commercial production there.

#### Production and Farm Value

Information on blueberry production, farm value and farm values per pound, by province or region, are given in Table 3. It will be noted that, in 1971-74, total annual production varied markedly with an apparent upward trend until 1973. Average annual output increased from 19.9 million pounds in 1961-65 to 28.3 million pounds in 1966-70 and then fell to 26.1 million pounds in 1971-74. All regions contributed to the increase of 31.2 per cent between 1961-65 and 1971-74, but the largest contribution was made by British Columbia. The Atlantic Provinces accounted for 60.8 per cent of the total Canadian output in 1961-65 and 57.9 per cent in 1971-74.

Between 1961-65 and 1971-74, farm value of production almost tripled in British Columbia, more than doubled in the Atlantic Provinces and almost doubled in Quebec. For all of Canada, it increased by 117.6 per cent from an annual average of \$2.9 million to \$6.3 million.

Farm values per pound increased at almost the same rate in all parts of the country with the increases ranging from 60.2 per cent in Quebec to 66.4 per cent in the Atlantic Provinces. Values in British Columbia were constantly the highest, while those in the Atlantic Provinces were constantly the lowest. For all of Canada, farm values rose from 14.6 cents in 1961-65 to 24.1 cents in 1971-74. The highest values per pound were achieved in 1973. The next year, however, they fell considerably despite a much smaller crop in all regions; this appears to have been due to lower prices in the United States, the major export market for Canadian blueberries and itself a large producer.



Table 3: Blueberries: Production, Farm Value and Farm Value per Pound, by Province or Region, 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- Production, '000 lb. -								
Atlantic	12,075	14,701	14,225	15,791	18,446	11,846	15,077	+ 24.9
Quebec	5,308	9,304	4,200	6,321	11,650	4,050	6,555	+ 23.5
B.C.	2,468	4,334	4,046	4,109	5,917	3,600	4,418	+ 79.0
Canada	19,850	28,339	22,471	26,221	36,013	19,496	26,050	+ 31.2
- Farm Value, \$'000 -								
Atlantic	1,583	2,170	2,150	3,709	5,092	2,190	3,285	+107.6
Quebec	854	1,772	756	1,896	3,256	842	1,688	+ 97.7
B.C.	452	893	924	1,397	2,017	914	1,313	+190.5
Canada	2,889	4,835	3,830	7,002	10,365	3,946	6,286	+117.6
- Farm Value, ¢ per lb. -								
Atlantic	13.1	14.8	15.1	23.5	27.6	18.5	21.8	+ 66.4
Quebec	16.1	19.0	18.0	30.0	27.9	20.8	25.8	+ 60.2
B.C.	18.3	20.6	22.8	34.0	34.1	25.4	29.7	+ 62.2
Canada	14.6	17.1	17.0	26.7	28.8	20.2	24.1	+ 65.1

Source: Statistics Canada.

### Supply and Disposition

Available information on supply and disposition is given in Table 4. Supply and disposition ratios are presented in Appendix Table 6. The figures are incomplete because fresh imports are understated and also because there are no data on imports of processed blueberries, frozen or canned. There also are no data on exports of canned blueberries. The Board also has no information as to the extent, if at all, that imports of fresh blueberries go to processors rather than to the fresh market.

Throughout the review period, a large part of total production was exported. In 1961-65, exports were 62.2 per cent of total production or 58.3 per cent of total supply and were almost evenly divided between fresh and frozen berries. By 1971-74, exports of fresh berries had declined by about one-third while those of frozen berries in fresh equivalent weight had almost doubled. Total exports, however, did not grow quite as fast as production or supply. In 1971-74, they accounted for 60.5 per cent of production and 53.0 per cent of supply.

Table 4: Blueberries: Supply and Disposition, Canada 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74	% Change 1961-65 to 1971-74
- '000 lb. -								
<u>Total Production</u>	19,850	28,339	22,471	26,221	36,013	19,496	26,050	+ 31.2
<u>Total Imports</u>	1,319	2,181	3,367	2,898	3,270	5,233	3,692	+179.9
Fresh	1,319	2,181	3,367	2,898	3,270	5,233	3,692	+179.9
Fresh for processing	-	-	-	-	-	-	-	-
<u>Total Supply Available</u>	21,169	30,520	25,838	29,119	39,283	24,729	29,742	+ 40.5
<u>Available for processing or imported processed</u>	7,676	12,157	13,717	12,415	20,551	12,476	14,790	+ 92.7
From domestic production	7,676	12,157	13,717	12,415	20,551	12,476	14,790	+ 92.7
<u>Available for fresh market</u>	13,493	18,363	12,121	16,704	18,732	12,253	14,952	+ 10.8
From domestic production	12,174	16,182	8,754	13,806	15,462	7,020	11,260	- 7.5
Imported	1,319	2,181	3,367	2,898	3,270	5,233	3,692	+179.9
<u>Total Exports</u>	12,338	16,665	12,499	14,971	17,230	18,315	15,754	+ 27.7
Fresh(b)	6,333	7,020	4,023	3,940	5,391	3,734	4,272	- 32.5
Processed, frozen (a)	6,005	9,645	8,476	11,031	11,839	14,581	11,482	+ 91.2
<u>Total Domestic Disappearance</u>	8,831	13,855	13,339	14,148	22,053	6,414	13,988	+ 58.3
<u>Consumed in processed form</u>	1,671	2,512	5,241	1,384	8,712	-2,105 <sup>(c)</sup>	3,308	+ 98.0
From domestic production	1,671	2,512	5,241	1,384	8,712	-2,105 <sup>(c)</sup>	3,308	+ 98.0
<u>Fresh market consumption</u>	7,160	11,343	8,098	12,764	13,341	8,519	10,680	+ 49.2
From domestic production	5,841	9,162	4,731	9,866	10,071	3,286	6,988	+ 19.6
Imported	1,319	2,181	3,367	2,898	3,270	5,233	3,692	+179.9

(a) Converted to fresh equivalent on the basis of 1.05 lb. fresh per 1 lb. frozen product.

(b) Includes small volume of re-exports. (c) Residual figure as exports exceeded production; does not take into account inventory changes.

Source: Derived from Statistics Canada data.

Although production rose by 31.2 per cent, imports increased even more rapidly and, in 1971-74, accounted for 12.4 per cent of the total supply (only 10 per cent if 1974 is excluded), as compared with 6.2 per cent in 1961-65.

Between 1961-65 and 1971-74, total domestic disappearance increased by more than one-half. Consumption in processed form almost doubled, but still accounted for less than one-quarter of the 1971-74 total. All blueberries processed in Canada appear to be grown domestically; the Board does not know of any fresh imports for processing. Consumption in fresh form increased by almost 50 per cent, with consumption of imports increasing more rapidly than that of domestic produce.

The limited period for which Canadian-grown fresh market berries are available is shown in Appendix Table 7. During 1971-74, more than three-quarters of the crop was marketed in August and most of the rest in September. Quantities available in July varied from year to year and domestic supplies were available in October only in two years. Appendix Table 8 shows the distribution of fresh market consumption between domestic and imported produce. Occasional sales of fresh blueberry imports have occurred in February, May, November and December. Somewhat larger quantities arrive in June when they constitute the total supply. In July and October, imports account for a larger share of total supply than they do in August and September - when the bulk of the Canadian crop is marketed.

#### Imports and Exports

As shown in Appendix Tables 9, 10, 11, and 12, all imports of fresh berries came from the United States, principally from New Jersey, with significant quantities from North Carolina and Michigan. More than 93 per cent entered into Ontario and Quebec. During 1971-75, a little more than 40 per cent of the imports arrived in July - when Canadian berries are just coming on the market - and almost 40 per cent in August when domestic production peaks. In June - just before the domestic season - 13.6 per cent of imports arrived and, in September, the rest. Table 5 sets forth the distribution of the fresh market between domestic berries and imports. Imports during the Canadian marketing season of August and September increased from 7.1 per cent of supply in 1961-65 to 20.1 per cent in 1971-74. Consumption during the off-season period has increased as well with imports supplying an increasing proportion of this market, 85.0 per cent during 1971-74.

Table 5: Blueberries: Production, Imports and Consumption, Selected Averages, 1961-1974

	<u>1961-65</u>	<u>1966-70</u>	<u>1971-74</u>
- '000 lb. -			
<u>Production</u>			
On-season (a)	5,239	8,502	6,631
Off-season (b)	602	660	357
Total	<u>5,841</u>	<u>9,162</u>	<u>6,988</u>
<u>Imports</u>			
On-season (a)	399	666	1,672
Off-season (b)	919	1,515	2,019
Total	<u>1,319</u>	<u>2,181</u>	<u>3,692</u>
<u>Consumption</u>			
On-season (a)	5,638	9,168	8,303
Off-season (b)	1,521	2,175	2,376
Total	<u>7,159</u>	<u>11,343</u>	<u>10,680</u>
<u>Imports as % of Consumption</u>			
On-season (a)	7.1	7.3	20.1
Off-season (b)	60.4	70.0	85.0
Total	18.4	19.2	34.6

(a) August and September growing season.

(b) January-July and October-December.

Source: Appendix Tables 7 and 8.

Figures on exports are given in Appendix Tables 13, 14, and 15. In many years, the United States has been the sole export market but there have been occasional shipments to The Netherlands, Trinidad and Tobago, the United Kingdom, and other countries. Between 1966-70 and 1971-75, the annual average level of exports fell by more than one-third. However, in 1975, the figure was higher than for any other year, except 1973, since 1967. Most exports are shipped in August and September. Small quantities are recorded for some early months, but these must be frozen berries that have been recorded incorrectly. As expected, the Atlantic region, with the bulk of the output, accounts for most of the exports - about 78 per cent of the total for 1972-75. The central region accounts for most of the remainder.

### Prices

Farm values per pound are given in Table 3. In 1974, these amounted to 18.5 cents in the Atlantic region, 20.8 cents in Quebec and 25.4 cents in British Columbia. Despite these differences, fresh domestic berries commanded a much higher price on the Halifax market than elsewhere in the country. Prices of British Columbia berries in Vancouver were slightly higher than in Winnipeg, probably due to import competition in the Winnipeg market. The lowest prices for domestic fruit were paid in Montreal and Toronto. It is noted that the Toronto quotations are said to be for Ontario fruit, although no provincial production figures are available. For most periods when there were quotations for both imported and domestic berries, imports commanded a premium, except at Winnipeg. Details on prices are given in Appendix Tables 16a and 16b and summarized in Table 6. The Board has no details on the landed cost of imports. However, in the absence of any import duties since 1969, freight and brokerage costs have afforded the only "protection" to Canadian producers.

Table 6: Average Wholesale to Retail Selling Prices for  
Domestic and Imported Blueberries in 1974

	<u>Halifax</u>		<u>Montreal</u>		<u>Toronto</u>		<u>Winnipeg</u>		<u>Vancouver</u>	
	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>	<u>Dom.</u>	<u>Imp.</u>
- ¢ per lb. -										
May	-	-	-	118.8	-	84.8	-	-	-	-
June	-	-	-	71.3	-	64.7	-	80.0	-	-
July	-	-	85.1	59.5	-	52.4	-	80.2	-	-
Aug.	97.3	-	57.7	57.0	57.7	49.5	72.7	72.8	76.8	-
Sept.	97.3	-	44.2	58.8	47.8	55.8	64.8	66.7	77.2	-

Source: Appendix Tables 16a and 16b.

The only breakdown between fresh market sales and those for processing in Canada relates to British Columbia. Figures for recent years are given in Appendix Table 17. The only published U.S. statistics available to the Board were on production in Washington which is not a major supplier to Canada. As noted earlier, there are other states that produce blueberries which are sold in Canada. Data for Washington are presented in Appendix Tables 18a, 18b, and 18c, and, from this information, certain comparisons of farm value can be made (see Table 7 below).

Table 7: Blueberries: Farm Values, British Columbia and Washington, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- ¢ per lb. -					
<u>British Columbia</u>					
Fresh market	25.0	40.0	35.0	33.1	33.4
Processing	22.0	31.0	34.0	22.0	28.6
All berries	22.8	34.0	34.1	25.4	29.7
<u>Washington</u>					
Fresh Market	29.0	35.6	36.8	41.3	36.7
Processing	25.9	30.2	34.1	28.4	30.4
All berries	25.7	31.8	34.7	34.0	32.3

Source: Appendix Tables 17, 18a, 18b, and 18c.

Statistics show that, in both areas, the smaller quantities sold on the fresh market generally commanded a premium - usually higher in British Columbia - over berries sold for processing. Further, while British Columbia producers received higher returns on both markets in 1972, the situation was reversed in 1973 and 1974. Over the entire period, U.S. producers averaged higher returns. Total production was similar but, in British Columbia, a higher proportion of the total was processed.

Since only cost-of-production data for Canada were available to the Board, no comparison in this area can be made.

#### TARIFF CONSIDERATIONS

Fresh fruits, including berries and melons, not specified elsewhere in the Customs Tariff, whether for fresh market consumption or for processing, are entered under the following tariff items:

	<u>B.P.</u>	<u>M.F.N.</u>	<u>Gen.</u>
Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty			
9212-1 Berries, edible, n.o.p.	Free	Free	20 p.c.
9505-1 Melons, n.o.p. ... each	Free	Free	3 cts.
9600-1 Fruits, fresh, in their natural state, n.o.p. GATT	Free	15 p.c. Free	20 p.c.

The existing wordings of the three items have remained unchanged since their introduction in 1930. The B.P. rate under all three items has been Free since that time. The General Tariff rates are the same as those introduced in 1930, except that, until May 31, 1950, there was a proviso under tariff item 9212-1 that the duty should not be less than 2 cents per pound. The General Tariff applied to imports from the United States until December 31, 1935.

All three items are bound under GATT. The reductions in the M.F.N. rates, since 1930, are illustrated in Table 8, which includes only those changes, by Statute or Trade Agreement, which affected applicable rates of duty. In the table, the rates for melons are per melon, the other rates are ad valorem. It should be noted that the statutory M.F.N. rate for fruits, n.o.p., remains at 15 p.c. although the rate actually applied has been Free, under GATT, since January 1, 1948.

Table 8: M.F.N. Rates, Berries, n.o.p., Melons, n.o.p.  
and Fresh Fruits, n.o.p., 1930-1976

<u>Effective Date</u>	<u>Berries, n.o.p.</u>	<u>Melons, n.o.p.</u>	<u>Fresh Fruits, n.o.p.</u>
May 2, 1930			
Statutory Change	15 p.c.	2½ cts.	15 p.c.
Jan. 1, 1939			
United States			
Trade Agreement	10 p.c.	2 cts.	10 p.c. (a)(b)
Jan. 1, 1948			
GATT	10 p.c.	2 cts.	Free
June 3, 1955			
Statutory Change (c)	10 p.c.	Free	Free
Jan. 1, 1968			
Statutory Change (c)	8 p.c.	Free	Free
Jan. 1, 1969			
Statutory Change (c)	6 p.c.	Free	Free
June 4, 1969			
Statutory Change	Free	Free	Free

(a) Avocados or Alligator Pears - Free from Jan. 1, 1939.

(b) Kumquats - Free M.F.N., 10 p.c. Gen., from Dec. 1, 1943 to Dec. 1, 1947.

(c) As a result of GATT negotiations.

Source: Canadian Customs Tariff.



The coverage of these items has not changed since 1930. All fresh fruits and melons specifically listed in the tariff at that time are still so listed and no additional listings have been made.

The section of the Tariff Schedules of the United States Annotated covering fresh fruits contains a number of provisions for unspecified products. The coverage of these provisions differ, of course, from those of the similar items in the Canadian tariff as different fruits are specifically named. In the following discussion, all rates are those applicable under the U.S. equivalent of the Canadian Most-Favoured-Nation Tariff. Other berries are duty-free, but blueberries are specifically listed with a rate of 0.3 cent per pound. Melons, other than cantaloupes and watermelons, are dutiable at 8.5 per cent ad valorem from December 1 to May 31. At other times, the rate is 35 p.c. Watermelons are dutiable at 20 p.c. year round. Unspecified citrus and other fresh fruits are dutiable at 8.5 per cent ad valorem. Unlike the Canadian tariff, there is no specific provision for quinces or nectarines, but fresh avocados, figs and a number of tropical fruits, which fall under the Canadian "n.o.p." item, are named in the U.S. schedule.

The Canadian Horticultural Council proposed that the rates on edible berries, n.o.p. be increased to 20 p.c. B.P., 20 p.c. M.F.N. and 30 p.c. Gen., and that separate items be provided to continue free entry, B.P. and M.F.N., for blueberries and gooseberries. For melons, n.o.p., it proposed that the existing item be retained unchanged. For fruits, n.o.p., it advocated two items, one for fruits of a genus grown in Canada, with rates of 20 p.c. B.P. and M.F.N. and 30 p.c. Gen., and one for fruits of a genus not grown in Canada, with free entry, B.P. and M.F.N.

In support of the 20 p.c. rates, the Council pointed out that this was the general level of protection it was seeking on fresh fruits and vegetables and that it considered it unsound tariff practice to provide free entry for "n.o.p." items that might deter establishment of production in Canada. However, the Council was willing to concede free entry for blueberries and gooseberries because it did not wish to disturb existing patterns of importations, and for melons, n.o.p. because it was not aware of any melons, other than muskmelons and cantaloupes specifically provided for elsewhere, for which protection might be sought.

The Canadian Food Processors Association listed the three "n.o.p." items among the tariff items on which it made no comments. All three, of course, now have Free rates under the British Preferential and Most-Favoured-Nation Tariff. The California Grape & Tree Fruit League recommended the retention of free entry for fruits not grown in Canada and specifically named fresh figs and persimmons as falling under this category. The more general representations of the National Farmers Union, the Consumers' Association of Canada and the Canadian Importers Association Inc., are also relevant to these tariff items.

The Council's proposal for fresh fruits, n.o.p., parallels that for fresh vegetables, n.o.p. and is subject to the same objections although there seems to be much less likelihood of the phrase "genus grown in Canada" inadvertently involving a fruit not grown in this country because another fruit of the same genus is grown here, particularly if berries should continue to be provided for separately. However, the proposal would require the imposition of a duty on any fruit entering under the item on a year-round basis and not just during the period a Canadian product was in season. However, if melons and berries are disregarded, the Board has no evidence to indicate that there is any Canadian production of any fruit not now specifically named in the Customs Tariff.

In proposing continued free entry for melons, n.o.p., the Council was inconsistent with its other proposals for "n.o.p." items, but took into account the virtual total absence of Canadian production of any of the melons now falling under the item. No participant in the public sittings sought any protection on melons other than cantaloupes and muskmelons.

The proposal for berries, n.o.p. was also inconsistent in that it did not differentiate between those grown and those not grown in Canada. The addition of the proposed specific items for blueberries and gooseberries would afford free entry to two berries which are grown in Canada, while all others would be dutiable, regardless of whether or not there is Canadian production or if they were imported at a time that made them competitive with Canadian production. As noted, a number of berries are grown in Canada, although detailed figures are not available. There appears to be more merit in introducing a made-in-Canada distinction for berries than for tree fruits or other fruits now entering under tariff item 9600-1.

If the Council's proposals were adopted as put forward, it would immediately be necessary to determine if the kiwi fruit is a berry or not. Under the proposals, it would be dutiable if it were a berry, but free if considered to be a fruit of a genus not grown in Canada.

The use of the term "genus" with respect to fruits or berries does not appear to be subject to the same objections as in the case of "other vegetables." However, as pointed out in that section of the report, the term "of a class or kind produced in Canada" was used, with respect to fruits, in the Customs Act between 1958 and 1968. The Fruit, Vegetables and Honey Act refers to fruits and vegetables "of any kind not grown in Canada."

Berries, n.o.p. have been duty-free since June 1969; the M.F.N. rate - having been reduced from 10 p.c. to 8 p.c. on January 1, 1968, and to 6 p.c. on January 1, 1969 - was made Free at that time. These changes in rates can be considered in conjunction with the available information on the blackberry and blueberry industries.

Blackberry production in British Columbia has declined since 1966 but it does not appear that imports have taken up the slack. It seems rather that processing has been sharply diminished. Further, farm values in British Columbia in the years for which comparisons

can be made, bear no consistent relationship to those in Washington. For these reasons, it is difficult to establish a rate of duty that would be likely to increase sufficiently the return to growers - without alienating processors - and induce them to resume production.

Any item imposing a duty on berries, n.o.p., of a class or kind grown in Canada would apply to a variety of products with different seasons of differing lengths. This makes it impossible to prescribe a seasonal duty period in the item itself and some other device would be required to allow duties to be removed during the off-season or at other times as required. This could be done by statutory authorization for the suspension by Order-in-Council of the application of the duty to any specific berry or berries for a stated period of time.

The removal of the 10 p.c. rate on blueberries has been followed by a rise in imports during the Canadian marketing season. In 1966 and 1967, when the 10 p.c. rate was last applied, it was equivalent to a specific duty of about 2.6 cents per pound. Had the rate remained unchanged, the equivalent in 1968 would have been 2.4 cents, as the average price per pound fell slightly in that year. In 1969, only a small quantity was imported prior to the removal of the duty, and all imports since then have been duty-free.

With the subsequent increase in the values of imported blueberries, the specific equivalent of the former 10 per cent ad valorem duty would also have risen. In Table 9, figures are given for the average annual unit value of all imports and for the average unit value of imports in August, the prime month for marketing domestic production.

Table 9: Blueberries: Unit Values of Imports, August and Annual, 1969-1975

	<u>August</u>	<u>Annual</u>
	- ¢ per lb. -	
1969	25.5	25.6
1970	22.2	26.8
1971	21.8	25.8
1972	27.6	29.6
1973	29.9	32.7
1974	26.7	31.0
1975	37.4	37.5

Source: Derived from Statistics Canada data.

The increase in imports during the domestic marketing season suggests that consideration might be given to restoring the former rate of duty, at least seasonally. Up to 1974, a rate of 3 cents per pound would, in relation to imports in August, have exceeded 10 per cent of the average unit value of the recorded imports. However, in 1975, it would have required a rate of 3 $\frac{2}{3}$  cents. The imposition of

a duty on blueberries would, of course, increase the cost of a pound of blueberries by the amount of the duty. It would also enable domestic producers to increase their prices. No attempt has been made to establish the total potential costs and benefits because of the known understatement of imports through erroneous statistical coding.

### CONCLUSIONS

A wide variety of berries, melons and fruits are imported into Canada under the tariff items providing for edible berries, n.o.p., melons, n.o.p. and fresh fruits, n.o.p. However, with the exception of blueberries, none of the products in question appear to be produced in Canada in significant quantities although Canadian production appears to satisfy at least a large part of the limited demand for certain other berries.

In fact, in as far as fresh fruits, n.o.p., of tariff item 9600-1 are concerned, the Board has found no evidence of any Canadian production, or of any likelihood of Canadian production, of any of these. Consequently, it recommends no change in this tariff item, except to make statutory the M.F.N. Free rate now accorded under GATT.

With respect to melons, n.o.p., the Board has found evidence of limited Canadian production of at least two products - watermelons and zucca melons. The latter appears to be used primarily for processing and the producers do not appear to be suffering seriously from import competition. For climatic reasons, watermelon production in Canada is very limited; even if it could be expanded somewhat, there is no possibility of meeting more than a miniscule part of the demand from domestic production. The Board, therefore, sees no reason to impose a duty on any melon now entering under tariff item 9505-1 and recommends that this item be left unchanged.

With respect to berries, n.o.p., the Board is of the opinion that the size and the importance of the Canadian blueberry crop warrants the establishment of a separate tariff item for imports of this fruit, and it so recommends. Moreover, while the Board recognizes that blueberry imports have increased, the overall competitive position of Canadian growers, exporting well over half of their crop, remains strong, and therefore the Board recommends free entry for all imports of this fruit.

Although blackberries, and perhaps gooseberries, might be considered to be of sufficient importance to merit individual tariff items, the lack of data has led the Board to refrain from recommending such items.

As to other, not specifically mentioned, berries, the Board feels that there is sufficient Canadian production or potential production that protection should be made available for use as and when required. It is therefore recommending that the former 10 p.c. M.F.N. rate be restored with respect to edible berries, n.o.p., of a class or kind produced in Canada, with an arrangement under which the duty can be removed, on a periodic basis, from any or all of the berries imported under the item. It recommends continued free entry for berries of a class or kind not grown in Canada.

RECOMMENDATIONS

The Board recommends:

- A. That tariff item 9505-1 be retained unchanged;
- B. That the proposed subsection (3) of section 15 of the Customs Tariff (see the Board's recommendations for "other vegetables") be expanded to include the suspension of the ad valorem duties specified in item 2 below, to any edible berry described in the order imported through ports in a region or part of Canada during such period or periods as may be fixed by the Minister;
- C. That Schedule "A" to the Customs Tariff be amended by deleting therefrom tariff item 9212-1 and inserting therein, under the general heading of "Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty," the following tariff items:

	<u>British Prefer- ential Tariff</u>	<u>Most- Favoured- Nation Tariff</u>	<u>General Tariff</u>
Blueberries .....	Free	Free	Free
Berries, edible, n.o.p.:			
Of a class or kind produced in Canada	Free	10 p.c.	10 p.c.
Of a class or kind not produced in Canada	Free	Free	Free

and

- D. That Schedule "A" to the Customs Tariff be further amended by deleting therefrom tariff item 9600-1 and inserting therein the following tariff item:

Fruits, fresh, in their natural state, n.o.p. ....	Free	Free	20 p.c.
---	------	------	---------



Blackberries: Production, Price per Pound and Value, British Columbia, 1961 to 1975

	Fresh			Processed (Manufactured)			Total		
	Quantity lb.	Price ¢/lb.	Total Value \$	Quantity lb.	Price ¢/lb.	Total Value \$	Quantity lb.	Price ¢/lb.	Total Value \$
Average 1961-65	39,784	18.4	7,328	307,106	12.2	37,351	346,890	12.9	44,679
1966	12,000	29.2	3,498	303,164	14.3	43,243	315,164	14.8	46,741
1967	14,000	23.2	3,250	210,682	11.4	23,942	224,682	12.1	27,192
1968	16,000	21.5	3,440	152,000	14.3	21,800	168,000	15.0	25,240
1969	7,000	22.1	1,550	86,000	13.9	11,920	93,000	14.5	13,470
1970	4,503	26.7	1,201	198,497	16.8	33,366	203,000	17.0	34,567
Average 1966-70	10,701	24.2	2,588	190,069	14.1	26,854	200,769	14.7	29,442
1971	-	-	-	180,000	15.4	27,800	180,000	15.4	27,800
1972	2,000	25.0	500	83,000	20.1	16,660	85,000	20.2	17,160
1973	-	-	-	62,000	23.0	14,270	62,000	23.0	14,270
1974	-	-	-	64,000	30.0	19,200	64,000	30.0	19,200
1975	10,160	25.7	2,610	18,000	35.0	6,300	28,160	31.6	8,910
Average 1971-75	2,432	25.6	622	81,400	20.7	16,846	83,832	20.8	17,468

Source: B.C. Department of Agriculture.

Blackberries: Domestic Acquirements by Province, 1966-1974

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Canada

Appendix Table 2

- (a) Confidential.  
 (b) Two-year average excluding 1966, 1968 and 1969.  
 (c) Two-year average excluding 1972 and 1974.  
 (d) Three-year average excluding 1974.

Source: Statistics Canada.



Appendix Table 3a

Blackberries: Acreage, Production, Yield Per Acre, Farm Value  
and Farm Value per Pound, United States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Acreage -					
Oregon	4,100	4,000	2,600	4,000	3,675
Washington	400	280	160	170	253
Total	<u>4,500</u>	<u>4,280</u>	<u>2,760</u>	<u>4,170</u>	<u>3,928</u>
- Production, '000 lb. -					
Oregon	27,880	27,600	8,060	28,000	22,885
Washington	<u>2,200</u>	<u>1,316</u>	<u>656</u>	<u>1,260</u>	<u>1,358</u>
Total	30,080	28,916	8,716	29,260	24,243
- Average Yield, lb. -					
Oregon	6,800	6,900	3,100	7,000	6,227
Washington	5,500	4,700	4,100	7,412	5,368
Total	6,684	6,756	3,158	7,017	6,172
- Farm Value, \$ '000 -					
Oregon	3,346	6,596	4,135	6,244	5,080
Washington	<u>266</u>	<u>301</u>	<u>310</u>	<u>243</u>	<u>280</u>
Total	3,612	6,897	4,445	6,487	5,360
- Farm Value, ¢ per lb. -					
Oregon	12.0	23.9	51.3	22.3	22.2
Washington	12.1	22.9	47.3	19.3	20.6
Total	12.0	23.9	51.0	22.2	22.1

Source: U.S. Department of Agriculture.

Appendix Table 3b

Blackberries: Fresh Market Production, and Farm Value  
per Pound, United States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
Oregon	480	450	350	200	370
Washington	<u>51</u>	<u>11</u>	<u>6</u>	<u>13</u>	<u>20</u>
Total	531	461	356	213	390
- Farm Value, ¢ per lb. -					
Oregon	15.6	26.7	44.3	26.6	27.2
Washington	16.8	30.0	53.5	31.2	23.9
Total	15.7	26.8	44.5	26.9	27.1

Source: U.S. Department of Agriculture.

Blackberries: Processing Market Production, and Farm  
Value per Pound, United States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
Oregon	27,400	27,150	7,710	27,800	22,515
Washington	<u>2,149</u>	<u>1,305</u>	<u>650</u>	<u>1,247</u>	<u>1,338</u>
Total	29,549	28,455	8,360	29,047	23,853
- Farm Value, ¢ per lb. -					
Oregon	11.9	23.9	51.6	22.3	22.1
Washington	12.0	22.8	47.1	19.2	20.6
Total	11.9	23.8	51.3	22.2	22.1

Source: U.S. Department of Agriculture.

Watermelons: United States Exports to Canada, 1966-1975

	<u>Quantity</u> <u>'000 lb.</u>	<u>Value</u> <u>\$'000</u>	<u>Unit</u> <u>Value</u> <u>¢/lb.</u>
1966	102,824	2,895	2.8
1967	105,168	3,076	2.9
1968	101,786	2,882	2.8
1969	84,780	2,365	2.8
1970	90,501	2,809	3.1
Average 1966-70	97,012	2,805	2.9
1971	114,044	3,714	3.3
1972	102,014	3,216	3.2
1973	84,462	2,747	3.3
1974	89,613	3,451	3.9
1975	112,600	4,077	3.6
Average 1971-75	100,547	3,441	3.4

---

Source: U.S. Department of Commerce.

Appendix Table 5

Watermelons: Acreage, Production, Yield per Acre,  
United States, by States, 1966-1974

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Acreage -						
Florida		50,100	56,100	48,700	44,500	49,850
Georgia		33,000	33,000	28,400	29,200	30,900
South Carolina		23,000	21,300	18,500	21,600	21,100
Texas		60,000	69,800	62,000	51,000	60,700
Other States		<u>86,300</u>	<u>87,600</u>	<u>83,700</u>	<u>69,100</u>	<u>81,675</u>
Total	274,276	252,400	267,800	241,300	215,400	244,225
- Production, '000 lb. -						
Florida		751,500	673,200	779,200	667,500	717,850
Georgia		264,000	231,000	240,800	272,400	252,050
South Carolina		213,900	161,900	151,700	192,200	179,925
Texas		522,000	511,000	514,600	478,200	506,450
Other States		<u>958,000</u>	<u>954,900</u>	<u>939,700</u>	<u>711,700</u>	<u>891,075</u>
Total	2,743,300	2,709,400	2,532,000	2,626,000	2,322,000	2,547,350
- Average Yield, lb. -						
Florida		15,000	12,000	16,000	15,000	14,400
Georgia		8,000	7,000	8,479	9,329	8,157
South Carolina		9,300	7,601	8,200	8,898	8,527
Texas		8,700	7,209	8,300	9,376	8,344
Other States		<u>11,101</u>	<u>10,901</u>	<u>11,227</u>	<u>10,300</u>	<u>10,910</u>
Total	10,002	10,735	9,455	10,883	10,780	10,430

Source: U.S. Department of Agriculture.

## Blueberries: Supply and Disposition Ratios, Canada 1961-1974

	Average 1961-65	Average 1966-70	1971	1972	1973	1974	Average 1971-74
	- per cent -						
<u>Per Cent of Domestic Production:</u>							
Sold for Processing	8.4	8.9	23.3	5.3	24.2	-10.8	12.7
Sold to Domestic Fresh Market	29.4	32.3	21.1	37.6	28.0	16.9	26.8
Exported	62.2	58.8	55.6	57.1	47.8	93.9	60.5
<u>Total Imports as Per Cent:</u>							
of Total Supply Available	6.2	7.1	13.0	10.0	8.3	21.2	12.4
of Total Domestic Disappearance	14.9	20.3	25.2	20.5	14.8	81.6	26.4
<u>Fresh Imports as Per Cent:</u>							
of Fresh Market Availability	9.8	11.9	27.8	17.4	17.5	42.7	24.7
of Fresh Exports	20.8	31.1	83.7	73.6	60.7	140.1	86.4
of Fresh Market Consumption	18.4	19.2	41.6	22.7	24.5	61.4	34.6
<u>Per Cent of Fresh Market Consumption:</u>							
From Domestic Production	81.6	80.8	58.4	77.3	75.5	38.6	65.4
From Imports	18.4	19.2	41.6	22.7	24.5	61.4	34.6
<u>Per Cent of Total Domestic Disappearance:</u>							
Consumed in Processed Form	18.9	18.1	39.3	9.8	39.5	-32.8	23.6
Consumed in Fresh Form	81.1	81.9	60.7	90.2	60.5	132.8	76.4
<u>Production as % of Total Domestic Disappearance</u>							
	224.8	204.5	168.5	185.3	163.3	304.0	186.2

Source: Table 4.

Appendix Table 7

Blueberries: Estimated Monthly Distribution of Fresh Shipments<sup>(a)</sup>, 1966-1974

	Average 1966-70	Average 1971-74	1971	1972	1973	1974
- thousand pounds -						
Jan.	-	-	-	-	-	-
Feb.	-	-	-	-	-	-
Mar.	-	-	-	-	-	-
Apr.	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	660	339	568	266	453	69
Aug.	6,285	5,260	3,406	7,252	7,845	2,537
Sept.	2,217	1,371	757	2,279	1,772	677
Oct.	-	18	-	69	-	3
Nov.	-	-	-	-	-	-
Dec.	-	-	-	-	-	-
	9,162	6,988	4,731	9,866	10,071	3,286

(a) Domestic production for domestic fresh market sale.

Source: Derived from Statistics Canada and Agriculture Canada data.

Appendix Table 8

Blueberries: Estimated Monthly Distribution of Fresh Market Consumption, 1961-65 to 1971-74

<u>Average</u> <u>1961-65</u>		<u>Average</u> <u>1966-70</u>		<u>Average 1971-74</u>		
<u>Imports as</u> <u>% of Con-</u> <u>sumption</u>	<u>Imports as</u> <u>% of Con-</u> <u>sumption</u>	<u>From</u> <u>Domestic</u> <u>Produc-</u> <u>tion</u>	<u>From</u> <u>Imports</u>	<u>Total</u> <u>Consump-</u> <u>tion</u>	<u>Imports as</u> <u>% of Con-</u> <u>sumption</u>	
- per cent -		- thousand pounds -			per cent	
Jan.	-	-	-	-	-	
Feb.	-	-	3	3	100.0	
Mar.	-	-	-	-	-	
Apr.	-	-	-	-	-	
May	100.0	100.0	1	1	100.0	
June	100.0	100.0	558	558	100.0	
July	48.9	56.2	339	1,433	1,772	80.9
Aug.	7.9	8.4	5,260	1,561	6,821	22.9
Sept.	4.4	4.0	1,371	111	1,482	7.5
Oct.	100.0	100.0	18	24	42	57.1
Nov.	-	-	-	*	*	*
Dec.	-	-	-	*	*	*
18.4	19.2	6,988	3,692	10,680	34.6	

Source: Derived from Statistics Canada and Agriculture Canada data.



Blueberries: Imports by Country of Origin, 1966-1975

	<u>United States</u>	<u>Other</u>	<u>Total</u>
	- thousand pounds -		
1966	1,765	-	1,765
1967	1,800	-	1,800
1968	2,040	-	2,040
1969	2,787	-	2,787
1970	2,513	-	2,513
Average 1966-70	2,181	-	2,181
1971	3,367	-	3,367
1972	2,898	-	2,898
1973	3,270	-	3,270
1974	5,233	-	5,233
1975	4,712	-	4,712
Average 1971-75	3,896	-	3,896

Source: Statistics Canada.

## Appendix Table 10

Blueberries: Imports by Province and Region, 1966-1975

	<u>Average 1966-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -					
Atlantic Region	13	10	9	27	244	211
Nfld.	-	-	-	1	*	-
P.E.I.	*	-	-	-	-	-
N.S.	3	2	2	7	12	9
N.B.	10	8	7	19	232	202
Central Region	2,144	3,290	2,863	3,222	4,903	4,395
Que.	1,420	2,133	2,063	2,017	3,644	2,462
Ont.	728	1,156	800	1,205	1,258	1,933
Western Region	20	67	26	21	87	106
Man.	10	27	7	11	61	59
Sask.	*	3	16	9	25	47
Alta.	1	-	4	-	1	-
B.C.	8	37	-	-	-	-
Canada	2,181	3,367	2,898	3,270	5,233	4,712

Source: Statistics Canada.

Appendix Table 11

Blueberries: Imports by Months, 1966-1975

Month	Average 1966-70	%	Average 1971-75	%	1971	1972	1973	1974	1975
				thousand pounds					
Jan.	-	-	-	-	-	-	-	-	-
Feb.	-	-	2	*	-	-	-	11	-
Mar.	-	-	-	-	-	-	-	-	-
Apr.	-	-	*	*	-	-	-	-	2
May	4	0.2	1	*	-	-	-	2	2
June	662	30.3	528	13.6	631	553	486	563	409
July	848	38.9	1,650	42.4	1,211	970	1,647	1,905	2,516
Aug.	574	26.3	1,515	38.9	1,377	1,225	1,098	2,546	1,330
Sept.	92	4.2	169	4.3	148	149	39	109	399
Oct.	1	0.1	24	0.6	-	1	-	97	22
Nov.	-	-	3	0.1	-	-	-	*	14
Dec.	-	-	4	0.1	-	-	-	*	18
Total	2,181	100.0	3,896	100.0	3,367	2,898	3,270	5,233	4,712

Source: Statistics Canada

Appendix Table 12

Blueberries: Percentage Distribution of Fresh Market Imports  
from United States, by State of Origin, by  
Region, 1972-1974

	New Jersey	North Carolina	Michigan	Others	Total
			per cent		
<u>1972</u>					
Atlantic Region	-	-	-	-	-
Central Region	83.2	13.2	3.6	-	100.0
Western Region	-	-	75.0	25.0	100.0
Canada	83.1	13.2	3.7	*	100.0
<u>1973</u>					
Atlantic Region	69.2	30.8	-	-	100.0
Central Region	84.4	7.0	3.3	5.3	100.0
Western Region	-	-	75.0	25.0	100.0
Canada	84.2	7.1	3.4	5.3	100.0
<u>1974</u>					
Atlantic Region	57.2	14.3	-	28.5	100.0
Central Region	69.0	18.4	12.6	-	100.0
Western Region	33.3	4.2	45.8	16.7	100.0
Canada	68.8	18.3	12.8	0.1	100.0

Source: Agriculture Canada.

Appendix Table 13

Blueberries: Exports by Country of Destination, 1966-1975

	<u>United States</u>	<u>Netherlands</u>	<u>Trinidad- Tobago</u>	<u>United Kingdom</u>	<u>Others</u>	<u>Total</u>
	- thousand pounds -					
1966	15,004	-	-	-	-	15,004
1967	8,337	-	-	3	4	8,344
1968	2,864	-	-	-	-	2,864
1969	4,218	-	-	1	-	4,219
1970	4,657	-	-	-	-	4,657
Average 1966-70	7,016	-	-	1	1	7,018
1971	4,001	-	-	-	-	4,001
1972	3,914	-	-	-	*	3,915
1973	5,339	-	42	-	*	5,381
1974	3,419	286	-	-	-	3,705
1975	4,947	84	-	70	57	5,158
Average 1971-75	4,324	74	8	14	11	4,432

Source: Statistics Canada.

Appendix Table 14

Blueberries: Exports by Month, 1966-1975

	<u>Average 1966-70</u>	<u>Average 1971-75</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	- thousand pounds -						
Jan.	-	17	-	-	42	-	42
Feb.	11	2	12	-	-	-	-
Mar.	-	-	-	-	-	-	-
Apr.	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-
June	16	15	-	12	22	40	-
July	53	8	1	40	-	-	-
Aug.	1,947	1,663	465	1,822	2,901	436	2,692
Sept.	4,906	2,504	3,501	1,941	2,167	2,793	2,119
Oct.	73	199	22	99	249	436	191
Nov.	11	23	-	-	-	-	114
Dec.	*	-	-	-	-	-	-
Total	7,018	4,432	4,001	3,915	5,381	3,705	5,158

Source: Statistics Canada.

Blueberries: Exports by Province and Region, 1972-1975

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
	-    thousand pounds    -			
Maritime Region	3,214	3,863	3,349	3,687
N.S.	63	188	181	51
N.B.	3,151	3,675	3,169	3,636
Central Region	469	1,260	356	1,293
Que.	415	745	322	1,111
Ont.	54	514	34	182
Western Region	232	258	-	178
B.C.	232	258	-	178
Canada	3,915	5,381	3,705	5,158

Source: Statistics Canada.





Blueberries: Production, Price per Pound and Value, British Columbia, 1971-1975

	Fresh			Processed (Manufactured)			Total		
	Quantity '000 lb.	Price c/lb.	Total Value \$'000	Quantity '000 lb.	Price c/lb.	Total Value \$'000	Quantity '000 lb.	Price c/lb.	Total Value \$'000
1971	1,146	25.0	287	2,900	22.0	638	4,046	22.8	925
1972	1,370	40.0	548	2,739	31.0	849	4,109	34.0	1,397
1973	548	35.0	192	5,369	34.0	1,825	5,917	34.1	2,017
1974	1,100	33.1	364	2,500	22.0	550	3,600	25.4	914
1975	1,461	35.0	511	4,835	20.4	985	6,296	23.8	1,497
Average 1971-74	1,041	33.4	348	3,377	28.6	966	4,418	29.7	1,313

466

Appendix Table 17

Source: B.C. Department of Agriculture.



Blueberries: Acreage, Production, Yield per Acre, Farm Value  
and Farm Value per Pound, United States, by  
States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Acreage -					
Washington	650	690	800	750	723
Other States	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	650	690	800	750	723
- Production, '000 lb. -					
Washington	2,795	3,519	5,180	4,170	3,916
Other States	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	2,795	3,519	5,180	4,170	3,916
- Average Yield, lb. -					
Washington	4,300	5,100	6,475	5,560	5,416
Other States	-	-	-	-	-
Total	4,300	5,100	6,475	5,560	5,416
- Farm Value, \$'000 -					
Washington	718	1,119	1,797	1,418	1,263
Other States	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	718	1,119	1,797	1,418	1,263
- Farm Value, ¢ per lb. -					
Washington	25.7	31.8	34.7	34.0	32.3
Other States	-	-	-	-	-
Total	25.7	31.8	34.7	34.0	32.3

Source: U.S. Department of Agriculture.

Appendix Table 18b

Blueberries: Fresh Market Production, Farm Value per Pound,  
United States, by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
Washington	912	1,061	1,450	1,800	1,306
Other States	-	-	-	-	-
Total	912	1,061	1,450	1,800	1,306
- Farm Value, ¢ per lb. -					
Washington	29.0	35.6	36.8	41.3	36.7
Other States	-	-	-	-	-
Total	29.0	35.6	36.8	41.3	36.7

Source: U.S. Department of Agriculture.

Appendix Table 18c

Blueberries: Processed Market Production, Farm Value per Pound,  
United States, by States, 1971-1974

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Average 1971-74</u>
- Production, '000 lb. -					
Washington	1,883	2,458	3,730	2,370	2,610
Other States	-	-	-	-	-
Total	1,883	2,458	3,730	2,370	2,610
- Farm Value, ¢ per lb. -					
Washington	25.9	30.2	34.1	28.4	30.4
Other States	-	-	-	-	-
Total	25.9	30.2	34.1	28.4	30.4

Source: U.S. Department of Agriculture.

















3 1761 11549330 6